

Air Safety Flies Into a Touchy Debate on 'Culture'

By Don Phillips
Washington Post Service

WASHINGTON — The crew of Korean Air Flight 801 grew nervous as the Boeing 747 approached Agaña, Guam, on a rainy night last August. Something did not feel right.

The plane, being flown by autopilot, was descending steeply. The crew talked about the altitude, and someone said several times that the airport was "not in sight." But investigators said neither the co-pilot nor the flight engineer spoke out boldly, as trained, to alert the captain or even to urge breaking off the landing.

Alarms suddenly sounded in the cockpit. After an excruciating pause of several seconds, the captain finally cut off the autopilot and prepared to pull up. At almost that moment, the crew of another plane perhaps 50 miles away saw the clouds ahead glow bright red.

The red glow was the Korean Air jet slamming into the top of Nimitz Hill, killing 228 of the 254 people on board. The moments of hesitation may have made the difference because the jumbo jet would have cleared the hill if it had been just a few feet higher.

The question haunting investigators is why the co-pilot and the flight engineer failed to challenge the captain. Specifically, some investigators are wondering whether cultural factors — in this case, a traditional Korean deference to command authority — may have played a role in the crash.

Others experts counter that cultural factors play only a minor role in air safety, and some fear that even raising the issue may smack of racism. The question of why nobody in the cockpit spoke up forcefully is crucial because this kind of crash — in which a perfectly good plane flies into the ground — happens with alarming frequency worldwide. Such disasters account for as many as 8 out of every 10

crashes and more than 9,000 deaths on commercial flights in the jet age.

The issue is so controversial that the word "culture" may never be uttered in three days of National Transportation Safety Board hearings that begin next week in Honolulu, an investigator said. But many of the questions will touch on whether the crew trusted too much in automation and whether the co-pilot and the flight engineer deferred too much to the captain in the Aug. 6 crash.

A transcript of the plane's cockpit voice recorder, now a closely held secret, will reveal more about the last moments in the cockpit when it is released next Tuesday, the first day of the hearings. But American and Korean sources confirmed that it will most likely reveal a lost, confused crew that apparently did not follow its training.

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In Rome and Paris, Employers Say 'No' Plans for 35-Hour Workweek Spark Loudest Dissent So Far

By Alan Friedman
International Herald Tribune

ROME — Employers in Italy and France dug in their heels Wednesday and demanded that their governments put on hold an attempt to create needed jobs by trimming the workweek back to 35 hours.

In Rome, the president of the Confindustria employers' federation walked out of a meeting with Prime Minister Romano Prodi. He abandoned the discussions after the government refused to broaden the talks from a presentation of legislation that would reduce the workweek from 40 to 35 hours to a discussion of all aspects of the Italian economy's competitive position in Europe.

In Paris, meanwhile, Ernest-Antoine Seilliere, president of the CNPF employers' federation, sent a strongly worded letter to Prime Minister Lionel Jospin calling for the government to delay the introduction of the 35-hour workweek from the year 2000 until 2002. Mr. Seilliere's predecessor, Jean Gandois, resigned in frustration last year over the government's plans to proceed with the law.

Some 12 people in 100 are now out of work in both France and Italy. Both countries, like much of Western Europe, have made sometimes steep financial sacrifices in their efforts to create a single currency, and their governments

are under growing pressure to switch economic priorities and create jobs.

The Prodi government had been hoping that a successful outcome of the jobs talks would be a further proof of Italy's stability as it attempts to join the single currency. Instead, the rift with employers is likely to prove an embarrassment and raise further doubts among critics who think Italy is not ready for monetary union.

"We've said good-bye. We consider this phase of talks at an end," said Giorgio Fossa, president of the business leaders' association. After breaking with the government, Mr. Fossa also announced that the Confindustria might also decide to unilaterally abandon a key 1993 accord that has kept labor costs and Italian inflation down.

Italian trade union leaders reacted with surprise and anger Wednesday at the threat by Confindustria to abandon the country's landmark 1993 labor accord. The union leaders are themselves on a potential collision course with the government, and are threatening to call a general strike by next week if Mr. Prodi does not offer fresh public spending for job creation programs to the depressed south of Italy.

A spokesman for Mr. Prodi later announced that the government would go ahead and present its draft legislation on

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Foreign Minister Picked in China; Pragmatists Get Economic Posts

Compiled by Our Staff From Dispatches

BEIJING — Chinese legislators approved a cabinet Wednesday that includes a new foreign minister and places several pragmatic allies of the new prime minister, Zhu Rongji, in key economic posts.

"This is a real vote of confidence from the deputies," a European diplomat said. "It gives Mr. Zhu a free hand to press ahead with painful but vital reforms to the state sector."

Taking over the foreign affairs portfolio is Tang Jiaxuan, most recently a deputy foreign minister, who is an expert on Japan and Asian affairs and speaks both Japanese and English. He is said to enjoy the patronage of the president and Communist Party head, Jiang Zemin.

Mr. Zhu named a corporate chief to lead a new economics superministry, sending a signal to ailing state-owned companies that they must prosper or perish. The head of the new State Economic and Trade Commission will be Sheng Huaren, 63, who has been general manager of China National Petrochemical Corp., the country's biggest oil concern, since the early 1990s. (Page 21)

Mr. Zhu's rise and the promotion of like-minded technocrats signals an administration less riven by factional struggles. It also marks China's further passage from the era of rule by revolutionaries whose uncompromising policies were forged in battle and the underground.

"To have gotten so high, they have to be red, but they are professional, too," said Xiang Jianping, a delegate from Zhejiang Province. "Many were deputy ministers," he said.

At the Foreign Ministry, Mr. Tang, 60, is replacing the popular Qian Qichen, 69, who has served for 10 years. He is credited with reviving China's international image in the years since the 1989 crackdown on students in Tiananmen Square and engineering the growing diplomatic isolation of Taiwan, which China

See CHINA, Page 8

U.S. Hopes for Boon As Oil Prices Plunge To Lowest in Decade

By Martha M. Hamilton
Washington Post Service

WASHINGTON — With oil prices dipping below \$13 a barrel, the lowest price in a decade, economists say they could bring an economic boon that would offset some of the pain caused by the Asian economic crisis.

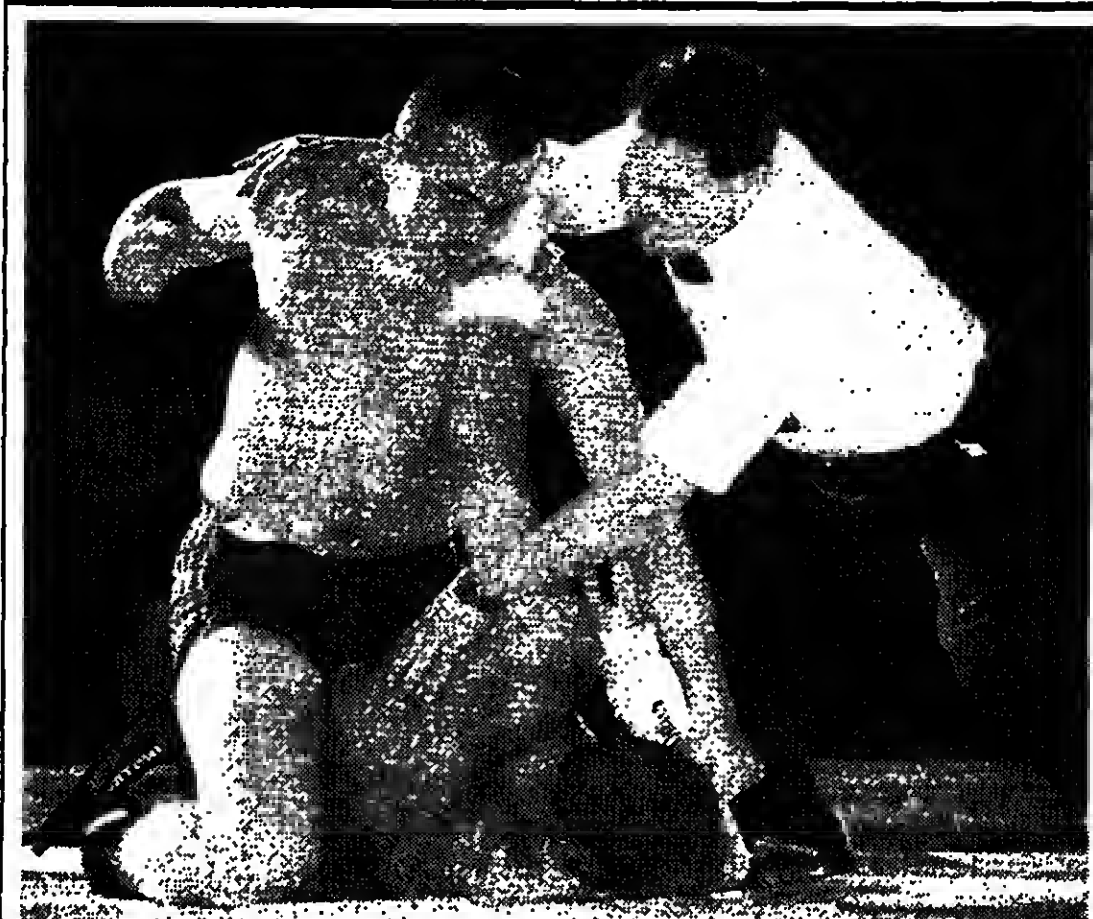
The drop has driven crude oil to its lowest level, after adjusting for inflation, since the 1970s energy crisis. Gasoline prices in some parts of the United States have dropped below a dollar a gallon — the lowest inflation-adjusted price ever — and experts say consumers could see the benefits of cheaper oil reverberate through the U.S. economy for months to come. Some experts predict a drop to as low as \$10 a barrel.

"The U.S. consumer and American business benefits greatly from a slide in oil prices and the reduced cost of gasoline, heating fuel, and all of the items and services that are affected by lower oil and energy prices," said Allen Sinai, chief economist at Primm Decision Economics. "That includes, eventually, the plastic wrappings on items Americans buy in the grocery stores."

"It's a win-win for a country that is a big oil consumer," he said.

The largest Russian oil company, Yukos, noted Wednesday that many oil-exporting countries were looking for gains, Reuters reported. "The world oil price decrease, and the refusal of some OPEC members to limit oil production is more dangerous to the Russian economy than the stock crisis in East Asia," Yukos said.

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A referee trying to stop the fatal fight between Yevgeni Zolotaryov, top, and Douglas Dedge.

Ultimate Fight, Ultimate Defeat

Combatant Dies From a 'No-Holds-Barred' Match in Kiev

KIEV — Douglas Dedge, who ran a school for fighters, died Wednesday from head injuries suffered during a "no-holds-barred" competition that mixes martial arts, wrestling and boxing, friends and doctors said.

Mr. Dedge, a 31-year-old American, had been hospitalized after collapsing in the ring Monday night during a match that Ukrainian organizers referred to as "ultimate fighting," a controversial sport with few rules.

"We can say that his death was caused by severe injuries to the brain," said Petro Spasichenko, chief emergency-ward doctor at Kiev's Institute of Neurosurgery. "The parts of the brain controlling breathing and heart functions were extremely seriously damaged."

Mr. Dedge had founded a school to teach the sport in Alabama, said Danny Ray, a close friend who traveled with him to Ukraine for the competition.

The fight that killed Mr. Dedge lasted less than five minutes, said Mr. Ray. On the mat, Mr. Dedge had taken a series of punches to the head but was still "defending himself well" when the referee called the fight, Mr. Ray said. Mr. Dedge then stood up, but collapsed a few seconds later and was not breathing.

Mr. Dedge was one of three U.S. fighters who participated in the competition, which brought a large crowd to a Kiev arena. The sport is popular in the former Soviet Union, where it is called "battle without rules."

Only a few things are prohibited, such as eye-gouging and kicking an opponent when he is down, one of the organizers of the competition said. Rules can vary slightly from country to country.

In the United States, ultimate fighting is prohibited in some states.

No rules were broken during Mr. Dedge's fight with Yevgeni Zolotaryov, a Ukrainian, said Yuri Smetanin, general director of Club Minsport, one of the Ukrainian organizers of the competition.

"We consider his death a tragic accident that disturbs us greatly," Mr. Smetanin said.

Huge Growth Seen for Internet Shopping

As Hannover Computer Fair Opens, Focus Is on Future of Electronic Commerce

By John Schmid and Victoria Shannon
International Herald Tribune

HANNOVER, Germany — The chief executive of International Business Machines Corp., addressing the world's biggest computer trade fair, predicted Wednesday that the market for Internet commerce would reach \$200 billion by 2000.

"As we look ahead to the next millennium, I do not think there is any longer a question about the profound power of this technology," Louis Gerstner said at the opening of the annual CeBIT trade show here.

Chancellor Helmut Kohl of Germany, sharing the podium with Mr. Gerstner, also sang the praises of the Internet as the engine for new jobs. He called the information age "a big chance for the future."

Across Europe, sales of goods and services over the Internet are projected to surge to \$30 billion by 2001 from \$1 billion last year.

Although grandiose predictions are as much a staple of CeBIT shows as the latest versions of hardware and software, Mr. Gerstner buttressed his evangelism for the digital age with a raft of projections.

He forecast exponential growth in electronic commerce and a new age in which microchips link everything from doorbells to clothes to car engines.

Alongside a host of technical advances to speed the information highway and eliminate its aggravating bottlenecks, electronic commerce ranks as one of the main themes emerging from among the nearly 7,300 companies from around the world displaying software, laptops, mobile phones and networking equipment.

More than 600,000 visitors are expected to cram into CeBIT by its close next Wednesday.

If anything, Mr. Gerstner's estimates for the growth of on-line business are conservative. Forrester Research Inc., a Massachusetts-based research group, predicts that Internet commerce in goods and services between businesses will grow to \$327 billion by 2002 from \$8 billion last year.

Scores of firms like Microsoft, Netscape, and Hewlett-Packard are using CeBIT to hawk software for on-line shops. Just as important, software companies have proliferated with products meant to reassure consumers that their credit card transactions are safe. A recent Business Week/Harris Poll found that fears over personal privacy remain the main reason many consumers avoid the Internet for shopping.

German Sports-Drug Trial Poisons East-West Rapport

Abusive Steroid Policy Becomes Political Symbol

By William Drozdiak
Washington Post Service

BERLIN — In the first criminal case involving allegations of steroid use among East German athletes, two doctors went on trial Wednesday charged with inflicting bodily harm to young swimmers by secretly giving them performance-enhancing drugs.

German prosecutors say they have gathered persuasive evidence showing the six officials were aware of health hazards in anabolic steroids when they dispensed the tiny blue pills disguised as vitamins to 19 former athletes, all minors.

Lawyers for the defendants said Wednesday that the evidence was inconclusive and urged the court to throw out the case.

Those who went on trial Wednesday include some of the most prominent swimming coaches from the Dynamo Berlin team that produced many Olympic champions. Two of them, Dieter Lindemann and Volker Frischke, were fired by the German swimming federation in October for concealing their connections to past doping scandals. Another coach, Dieter Krause, has quit the sport while the fourth, Rolf Glaeser, teaches swimming in Australia.

The defendants face up to three years in jail if convicted. German authorities hope the case will provide a legal foundation for pressing criminal charges against higher-ranking members of the East German sports hierarchy who may have ordered the doping program, including top Communist politicians who until now have escaped prosecution.

The trial has assumed political significance because of the burgeoning social resentment and economic disparity that continue to plague Eastern and Western Germany nearly eight years after the two countries were merged into Europe's largest nation, with 82 million citizens.

Many Easterners, who are saddled with a 25 percent unemployment rate that is more than twice the national average, say they are infuriated by patronizing attitudes of Westerners, who scorn them as lazy and ignorant products of a totalitarian culture.

Egon Krenz, East Germany's last president and Communist Party boss, criticized the trial as an unjust exercise in condemning practices of another society. He said he viewed it as another example of persistent arrogance among Westerners toward their Eastern cousins.

"This case is not about drugs in sports; it's much more a prosecution

against East Germany and its society, which proved it was better in athletics than West Germany was," said Mr. Krenz, who is appealing a six-and-a-half year jail sentence he received in August for giving shoot-to-kill orders to Berlin Wall guards.

While other former Communist regimes in the Soviet bloc were known to have practiced extensive doping in sports, Germany is the only country pursuing a judicial campaign with the aim of exposing the true extent of the drug program and those responsible for executing it without regard for the long-term health consequences on the athletes.

Since the nation was unified in 1990, authorities have sifted through voluminous files seized from secret police

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AGENDA

India Ambiguous On Nuclear Plans

Sending a mixed message about its intentions, the new Hindu nationalist government said Wednesday that it would make India a declared nuclear state, then qualified its position by saying it would "keep the option open."

The "open option" stance seemed similar to the ambivalent approach by previous governments under which India covertly developed nuclear arms while publicly saying it merely wanted the option to build weapons.

The ambiguous declarations on nuclear policy appeared likely to set off a new round of anxiety about a nuclear arms race between India and Pakistan. Page 5.

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Los Angeles's Eyes in the Sky

Serbian Police Kill an Albanian

The Dollar			
New York	Wednesday @ 3 P.M.	previous close	
DM	1.8256	1.8139	
Pound	1.6718	1.6743	
Yen	130.095	128.82	
FF	6.1201	6.0985	

The Dow			
Wednesday @ 3 P.M.	previous close		
+11.71	8761.70	8749.99	
S&P 500			
change	Wednesday @ 3 P.M.	previous close	
+3.82	1084.24	1080.42	

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International Education in the U.K.
The IHT online www.ihonline.com

U.K.-Israel Tiff Puts Settlements Back in Spotlight

By Joseph Fitchett
International Herald Tribune

PARIS — In risking Israeli anger over an official visit to a disputed Jewish settlement in Jerusalem, the British foreign secretary, Robin Cook, pinpointed an exceptionally sensitive issue that is likely to figure in a U.S. push to revive the peace process. British and other European officials said Wednesday.

The furious response of Prime Minister Benjamin Netanyahu — "fantastic overreaction," a British diplomat said — underscored the Israeli government's discomfort in trying to balance domestic pro-settlement lobbies and the possibility that stronger U.S. pressure on the issue is imminent, according to these sources.

Mr. Netanyahu cut short a meeting and canceled a dinner with Mr. Cook. An Arab newspaper quoted Bill Richardson, the chief U.S. delegate to the United Nations, as saying this week that Secretary of State Madeleine Albright planned to launch a new initiative in separate talks, perhaps as early as next week, with Mr. Netanyahu and Yasser Arafat, the Palestinian leader.

Israel's state-run television reported

Tuesday that the Netanyahu government had asked the Clinton administration not to make public a new plan to restart the peace process, apparently because the U.S. bid includes a freeze on settlements — the issue highlighted by Mr. Cook's actions.

Official Israeli fury over the foreign secretary's visit to the Jewish housing

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Newstand Prices			
Britain	1.000 BD	Mexico	55 c
Canada	1.000 C	Nigeria	125.00 Naira
Germany	14.000 DM	Oman	1.250 Rial
France	12.000 FF	Qatar	10.000 Q.R.
Italy	2.000 L	Rep. Island	1.000 L.P.
Spain	1.250 Ptas.	Saudi Arabia	10 SR
U.S.	1.250 \$	S. Africa	1.125 + VAT
Japan	1.250 ¥	U.A.E.	10.000 Dh
Korea	1.250 ₩	U.S. Mtl. (Excl.)	1.200
Russia	700 Rub.	Zimbabwe	2m \$40.00

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Eyes in the Sky / Patrolling the City of Angels

The Helicopter: Civic Icon of L.A. in the '90s

By Todd S. Purdum
New York Times Service

LOS ANGELES — When the sun sinks over the Pacific and the freeways fill with cars, when the nightly newscasts start and the bad guys begin to cruise, the big birds rise — two, three, five, a dozen helicopters hovering in the California twilight, trolling for trouble, ready to televise it live.

On balmy evenings, when windows are open, the choppers' thrumming rotors fill the air with crisscrossing crackles, like the opening credits of "M*A*S*H." Their 30 million candlepower searchlights strafe the bedroom windows of unsuspecting civilians suddenly caught up in police efforts to catch a thief or news crews' efforts to capture the catch.

A juicy freeway police pursuit can fill up a whole local newscast — even preempt half the network news, as one did to Tom Brokaw of NBC two weeks ago. A bar in Hemet Beach recently offered "Happy hour prices during all car chases," and the helicopter is such a civic icon that the city's Metropolitan Transportation Authority includes a stylized sketch of one among a handful of images that decorate its scrip-paper bus transfers.

"It's definitely the premier helicopter market in the country," said Larry Perret, the news director of KCBS-TV, the local CBS affiliate, which, like almost every other station in town, operates its own helicopter at a cost approaching \$1 million a year.

The reason is simple: geography. The massive area creates all sorts of logistical problems in terms of coverage of breaking news.

Los Angeles County, at 4,000 square miles (10,400 square kilometers), is roughly four-fifths the size of Connecticut, and the same challenge applies to law enforcement, fire and other emergency services. The Los Angeles Police Department has 16 patrol helicopters and one transport, the largest municipal fleet in the world, compared with just six for the New York City Police Department.

The Los Angeles Police Department pioneered the use of helicopters

A local bar offers happy hour prices during televised car chases.

nationally in 1957, and television stations soon followed suit, offering traffic reports from airborne news crews and coverage of breaking events — in the beginning with camera cables dangling to the ground. In a poignant footnote, Francis Gary Powers, the U-2 espionage pilot who survived the downing of his spy plane by the Soviet Union in 1960, died when he ran out of a fuel and crashed as a traffic reporter for KNBC-TV in 1977.

Now the police have forward-looking infrared devices that can detect the slightest movement hundreds of feet below, and the TV crews have microwave transmitters and elaborate gyroscopic camera mounts that cost \$300,000 to \$500,000 each and deliver crystal-clear, joggle-free pictures.

"It's irresistible," said Jerry Nachman, a longtime news director at local stations in New York and Washington and former editor of The New

York Post who is now a writer here for the late-night talk show, "Politically Incorrect." "They do it better here than anywhere else. The pilots and airborne reporters really know their onions. They do it more here than anywhere else, with New York coming up fast."

The technology is so irresistible, in fact, that some broadcast news veterans complain that it has all but supplanted other kinds of coverage, as stations pare their reporting staffs to help finance the helicopters, which cost about \$600 an hour to fly. Mr. Perret, the KCBS news director, said that his station made a concerted effort to save helicopter coverage for the big events, but he readily acknowledged that the ratings had been known to double in as little as 10 or 15 minutes during a big chase.

"I think it's grossly overdone now," said Pete Noyes, who was managing editor of KNBC here before retiring in 1992 and has held similar senior posts at other stations. "When it's worthwhile, a riot or a big event, then it should be used. But a couple of years ago there was a murder in a parking lot in a shopping center in Torrance, and they sent a copter to shoot it and it was just this little stick figure lying on the ground."

For the police, the choppers are an invaluable tool, enabling them to cover in mere minutes distances that could easily take an hour or more on clogged surface streets, and to spot hazards officers on the ground cannot see. When a patrol car can no longer safely chase a fleeing suspect through crowded streets, a chopper can.

"We can paint a picture for them like Vin Scully calling a Dodgers game," said John Harrell, a pilot in the police department's air support division, as he

and his tactical support partner, Ken Phillippe, dipped and bobbed high over Hollywood in tight precision for a reporter's benefit one recent afternoon.

The police often work in tandem with the news crews, and California Highway Patrol officers routinely provide expert running commentary with the news anchors during big chases, but sometimes all the airborne traffic itself becomes a problem.

"Flying paparazzi," said Mr. Harrell, whose record was 11 helicopters and two airplanes hovering around him during a car chase.

Still, Bob Pettes, a Vietnam veteran who is one of the city's most experienced pilots and has flown for KNBC since 1983, said pilots worked together, in a professional association and in the air, to avoid mishaps. "It may look chaotic when you see a chase coming down the freeway," he said, "but I assure you, it's choreographed."

MOST STATIONS have copters airborne for several hours for morning traffic reports and at the ready at other times. But in the TV ratings sweeps periods, they stay aloft during all regularly scheduled news programs, ready to break in.

On Feb. 10, a man accused of driving a stolen pickup truck led the highway patrol — and an armada of news choppers that transmitted it live — on a two-hour chase through southern Los Angeles, running lights, bumping into cars and hijacking a van after one of his tires went flat before finally smashing the van into a freeway divider. Law enforcement officials say that no such fleeing suspect has eluded eventual capture when copters are in pursuit.



For Mr. Harrell and his airborne colleagues, the city is a wonderland of contrasts, from the multimillion-dollar houses of Beverly Hills, whose normally unseen backyards zoom into close-up, to the mean streets of South Central Los Angeles.

For residents stuck on the ground, "the noise signature of 10 helicopters is intense," as Mr. Harrell put it, evoking the unnerving sense of a battlefield evacuation in progress.

But Kenneth Brooks, executive director of the California Council for Veterans Affairs, a private nonprofit group that aids veterans, said his organization did not get any particular noise complaints from veterans.

"The only ones complaining are the homeowners," said Mr. Brooks. "People want to call the police and complain," he added, "but then they're afraid they won't get good service, and they want that even more."

Plot Thickens Over ANC Rebel's Arrest

By Lynne Duke
Washington Post Service

JOHANNESBURG — The case of a senior South African foreign affairs official who was arrested and accused of arms trafficking has taken a sinister turn as the police have begun investigating a military intelligence report of possible links between the official and a plot against President Nelson Mandela's government, a senior police official said.

The arrest of the official, Robert McBride, in Mozambique last week has stunned South African political, law enforcement and diplomatic circles. Because there is scant official information about the details of the case, whispered and published speculation has exploded about Mr. Mc-

Bride's possible involvement in crime syndicates or spy rings, including reports that he has become a victim of revenge for his past in the guerrilla movement against apartheid, the system of racial separation under white rule.

There was official word on Tuesday that even an anti-government plot had emerged as a possibility.

Pending an investigation, Mr. McBride was suspended from his post as a director of the Southeast Asia desk of the Department of Foreign Affairs.

A simultaneously celebrated and hated saboteur in the anti-apartheid fight waged by the now-governing African National Congress, Mr. McBride was sentenced to death, subsequently commuted to life imprisonment,

for the 1986 bombing of a Durban beachfront bar in which three people were killed.

In 1992, during negotiations to end apartheid, the African National Congress and the then-governing National Party agreed to grant political indemnity to certain prisoners, and Mr. McBride's conviction was set aside. Last year, the Truth and Reconciliation Commission granted Mr. McBride amnesty in exchange for his full disclosure about the bombing operation.

The current case against him is deeply embarrassing for the African National Congress. Many of the leading figures in the ANC-led government are, like Mr. McBride, former members of the party's armed wing, Umkhonto weSizwe, or Spear of the Nation, which was founded by Mr. Mandela.

But while the so-called armed struggle is a thing of the past since South Africa's transition from apartheid to nonracial democracy after the 1994 election, the allegations against Mr. McBride suggest that not everyone has left the past behind.

Senior ANC and government officials have distanced themselves from Mr. McBride. After meeting with Mozambican officials Monday in the capital, Maputo, where Mr. McBride is jailed, Safety and Security Minister Sydney Mufumadi said the

government would respect the Mozambican justice system and not interfere in the case.

Suiker Britz, assistant commissioner of the South African Police Service, who also met the Mozambicans, told the news media that the evidence against Mr. McBride suggests a solid case. Mr. McBride has not yet been charged with a crime.

In an interview, Mr. Britz said he now had a classified report from the South African military intelligence service that contains "a lot of information concerning McBride" and raises the possibility of an anti-government plot. Another police official confirmed the existence of the report, but neither official would divulge details.

The investigation into Mr. McBride's arrest March 9, coupled with the government's uncoordinated response, has sparked a run of published conspiracy theories.

They range from suggestions of a disinformation campaign to discredit the government to suggestions that Mr. McBride could have been involved with such far-flung causes as the Irish Republican Army or East Timorese rebels. There has been speculation that he was part of an arms network supplying the perpetrators of a rash of deadly armored car heists on South African roads.

Manchester's Airport Disrupted

LONDON — The Manchester airport was closed to all flights on Wednesday morning after an airliner's nose wheel collapsed on landing, an airport spokesman said.

Fifty-eight passengers and four crew members were

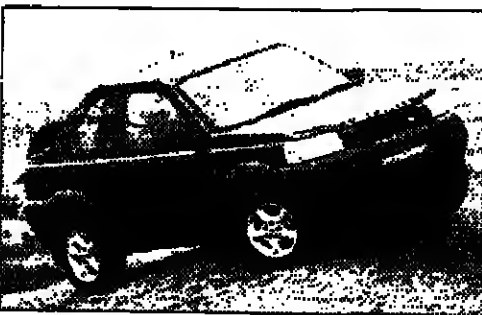
evacuated by emergency chutes from the British Airways jet, Flight BA 773 from Southampton to Manchester and Belfast. One person reported minor ankle injuries.

Flights were diverted to Leeds-Bradford airport and Liverpool.

Correction

In the March 13 Special Report on Fashion, Issey Miyake's age was incorrect. He is 59.

In this Friday's Leisure The Car Column



Land Rover Freelander XE3i

TRAVEL UPDATE

Snow Covers Northern Israel

JERUSALEM (AP) — Deep snow blanketed Jerusalem and northern Israel on Wednesday, paralyzing public transportation and closing schools.

News reports said that more than 46 centimeters (18 inches) of snow fell in the Golan Heights and Galilee. In Jerusalem, about 8 centimeters closed the mountain road that climbs up to the Holy City, cutting it off from metropolitan Tel Aviv.

Snow also covered the Palestinian-governed towns of Ramallah and Bethlehem, and Israel offered the Palestinian Authority help in clearing roads. The offer was turned down.

Greece Adds High-Speed Train

ATHENS (Reuters) — Greece's railroads will begin a high-speed link between the northern city of Thessaloniki and Skopje,

the capital of the former Yugoslav republic of Macedonia.

The first train will run April 9, the Greek Rail Organization said.

Shanghai-Paris Flights Starting

BEIJING (AFP) — Air France announced in Shanghai that it would resume flights from that city to Paris beginning May 12. Two flights a week are scheduled until September, when it will add a third flight, the Xinhua press agency reported.

China Eastern Airlines announced that it would begin Shanghai-Paris flights on July 7, with two flights a week until September, when it will add a third flight, Xinhua said.

The French national railroad will accept reservations via the Internet starting this summer. Although passengers will still have to go to a railroad station to pay for the tickets, seats can be reserved at www.sncf.fr. (JHT)

WEEKEND SKI REPORT

Resort	Depth	Mtn.	Rest.	Snow	State	Low	Comments
Andorra Soldeu	70	120	Good	Open	Var	120	all lifts o, good skiing am, soft pm
Austria Ischgl	20	140	Good	Some	Pwd	150	good skiing on all but lowest runs
Lech	0	145	Good	Some	Var	170	all lifts o, good skiing overall
Mayrhofen	0	100	Good	Some	Pwd	160	all lifts o, good skiing overall
Obertauern	50	180	Good	Open	Var	170	all lifts o, good skiing
Saalfeld	50	120	Good	Some	Var	170	all lifts o, good skiing
St. Anton	30	320	Good	Some	Var	170	all lifts o, good skiing
Canada Lake Louise	85	130	Good	Open	Var	170	all lifts o, 15cm new snow
Whistler	80	270	Good	Open	Var	170	all lifts o, 15cm new snow
France Alps d'Huez	85	280	Good	Open	Var	120	7000 ft o, good skiing
Chamonix	130	150	Good	Open	Var	120	all lifts o, good skiing
Chamonix	130	150	Good	Open	Var	120	all lifts o, good skiing
Courmayeur	115	140	Good	Open	Var	130	all lifts o, good skiing
Les Deux Alpes	120	200	Good	Open	Var	130	all lifts o, good skiing
La Plagne	120	200	Good	Open	Var	130	all lifts o, good skiing
Mogevre	0	115	Good	Some	Var	120	all lifts o, good skiing
Meribel	80	120	Good	Open	Var	120	all lifts o, good skiing
La Plagne	120	200	Good	Open	Var	130	all lifts o, good skiing
Serre Chevalier	40	220	Good	Open	Var	120	all lifts o, good skiing
La Tignes	120	120	Good	Open	Var	120	all lifts o, good skiing
Val d'Isere	110	220	Good	Open	Var	120	all lifts o, good skiing
Val Thorens	110	220	Good	Open	Var	120	all lifts o, good skiing
Germany Garmisch	0	320	Good	Some	Pwd	170	2300 ft o, good on open runs

Resort	Depth	Mtn.	Rest.	Snow	State	Low	Comments
Italy Cortina	10	150	Fair	Art	Var	150	all lifts o, 10cm new snow
Corviglia	70	150	Good	Open	Var	150	all lifts o, good skiing
Corviglia	15	85	Fair	Good	Var	150	all lifts o, good skiing
Courmayeur	60	150	Good	Open	Var	120	all lifts o, good skiing
Livigno	40	155	Fair	Art	Var	150	all lifts o, good skiing
M. di Campeggio	30	150	Good	Open	Var	150	all lifts o, good skiing
Madama	60	320	Good	Open	Var	150	all lifts o, good skiing
Selva	10	80	Fair	Art	Var	150	all lifts o, good skiing
Norway Gjeilo	60	75	Good	Open	Var	140	all lifts o, plenty of good snow
Switzerland Crans Montana	10	210	Good	Open	Var	120	all lifts o, good skiing
Davos	35	170	Good	Open	Var	170	all lifts o, good skiing
Klosters	30	170	Good	Open	Var	170	all lifts o, good skiing
Murten	30	80	Good	Open	Var	120	all lifts o, good skiing
Saas Fee	45	125	Good	Open	Var	120	all lifts o, good skiing
St. Moritz	10	70	Good	Open	Var	120	all lifts o, good skiing
Verbier	15	140	Good	Open	Var	120	all lifts o, good skiing
Wengen	5	60	Fair	Open	Var	120	all lifts o, good skiing
Zermatt	10	120	Good	Open	Var	120	all lifts o, good skiing
U.S. Aspen	130	140	Good	Open	Var	80	all lifts o, good skiing
Breckenridge	145	165	Good	Open	Var	80	all lifts o, good skiing
Crested Butte	95	125	Good	Open	Var	80	all lifts o, good skiing
Mammoth	450	580	Good	Open	Var	80	all lifts o, good skiing
Park City	190	235	Good	Open	Var	80	all lifts o, good skiing
Val	140	155	Good	Open	Var	80	all lifts o, good skiing
Winter Park	185	165	Good	Open	Var	80	all lifts o, good skiing

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe	Forecast	Europe	Forecast	Asia	Forecast
Algeria	25/11 12/50	Belgium	25/11 12/50	Algeria	25/11 12/50
Andorra	24/4 5/41	Bulgaria	25/11 12/50	Armenia	25/11 12/50
Austria	25/11 12/50	Croatia	25/11 12/50	Azerbaijan	25/11 12/50
Bahamas	25/11 12/50	Czech Rep.	25/11 12/50	Bahrain	25/11 12/50
Bangladesh	25/11 12/50	Denmark	25/11 12/50	Barbados	25/11 12/50
Barbados	25/11 12/50	Egypt	25/11 12/50	Belize	25/11 12/50
Belize	25/11 12/50	France	25/11 12/50	Bhutan	25/11 12/50
Bhutan	25/11 12/50	Germany	25/11 12/50	Bolivia	25/11 12/50
Bolivia	25/11 12/50	Greece	25/11 12/50	Bosnia	25/11 12/50
Bosnia	25/11 12/50	India	25/11 12/50	Brazil	25/11 12/50
Brazil	25/11 12/50	Indonesia	25/11 12/50	Bulgaria	25/11 12/50
Bulgaria	25/11 12/50	Iran	25/11 12/50	Cameroon	25/11 12/50
Cameroon	25/11 12/50	Israel	25/11 12/50	Canada	25/11 12/50
Canada	25/11 12/50	Italy	25/11 12/50	Chad	25/11 12/50
Chad	25/11 12/50	Japan	25/11 12/50	China	25/11 12/50
China	25/11 12/50	Korea	25/11 12/50	Columbia	25/11 12/50
Columbia	25/11 12/50	Laos	25/11 12/50	Costa Rica	25/11 12/50
Costa Rica	25/11 12/50	Lebanon	25/11 12/50	Croatia	25/11 12/50
Croatia	25/11 12/50	Lithuania	25/11 12/50	Cuba	25/11 12/50
Cuba	25/11 12/50	Malaysia	25/11 12/50	Cyprus	25/11 12/50
Cyprus	25/11 12/50	Mexico	25/11 12/50	Dominican Rep.	25/11 12/50
Dominican Rep.	25/11 12/50	Moldova	25/11 12/50	Ecuador	25/11 12/50
Ecuador	25/11 12/50	Monaco	25/11 12/50	El Salvador	25/11 12/50
El Salvador	25/11 12/50	Norway	25/11 12/50	Equatorial Guinea	25/11 12/50
Equatorial Guinea	25/11 12/50	Poland	25/11 12/50	Eritrea	25/11 12/50
Eritrea	25/11 12/50	Portugal	25/11 12/50	Estonia	25/11 12/50
Estonia	25/11 12/50	Romania	25/11 12/50	Fiji	25/11 12/50
Fiji	25/11 12/50	Russia	25/11 12/50	Gabon	25/11 12/50
Gabon	25/11 12/50	Saudi Arabia	25/11 12/50	Gambia	25/11 12/50
Gambia	25/11 12/50	Senegal	25/11 12/50	Georgia	25/11 12/50
Georgia	25/11 12/50	Slovakia	25/11 12/50	Germany	25/11 12/50
Germany	25/11 12/50	Slovenia	25/11 12/50	Ghana	25/11 12/50
Ghana	25/11 12/50	Spain	25/11 12/50	Greece	25/11 12/50
Greece	25/11 12/50	Sweden	25/11 12/50	Guatemala	25/11 12/50
Guatemala	25/11 12/50	Switzerland	25/11 12/50	Haiti	25/11 12/50
Haiti	25/11 12/50	Taiwan	25/11 12/50	India	25/11 12/50
India	25/11 12/50	Thailand	25/11 12/50	Indonesia	25/11 12/50
Indonesia	25/11 12/50	Turkey	25/11 12/50	Iran	25/11 12/50
Iran	25/11 12/50	Ukraine	25/11 12/50	Iraq	25/11 12/50
Iraq	25/11 12/50	USA	25/11 12/50	Israel	25/11 12/50
Israel	25/11 12/50	UK	25/11 12/50	Italy	25/11 12/50
Italy	25/11 12/50	Uruguay	25/11 12/50	Japan	25/11 12/50
Japan	25/11 12/50	Venezuela	25/11 12/50	Korea	25/11 12/50
Korea	25/11 12/50	Zambia	25/11 12/50	Laos	25/11 12/50
Laos	25/11 12/50	Zimbabwe	25/11 12/50	Lebanon	25/11 12/50
Lebanon	25/11 12/50			Lithuania	25/11 12/50

THE AMERICAS

Publisher Loses Interest In Willey Book Project

Accusation Against Clinton Is Called a Switch

By Brian Knowlton
International Herald Tribune

WASHINGTON — A publisher said Wednesday that he had lost interest in a book proposal from one of President Bill Clinton's accusers because the television account she provided this week told "a different story" from what her lawyer had described months earlier about her relationship to the president.

Meanwhile, although opinion polls showed Mr. Clinton's job-approval ratings unshaken by the allegations from Kathleen Willey, a former White House volunteer, of unwanted sexual touching by the president, there were new signs that many women found her credible and were losing patience with Mr. Clinton.

"People are taking these allegations very seriously," Susan Collins, a first-term Republican senator from Maine, said Wednesday.

Mrs. Willey, a Democratic Party activist, broke a long silence Sunday to allege before millions of television viewers that Mr. Clinton fondled her breasts and placed her hand on his genitals in a meeting on Nov. 29, 1993. He has denied doing so.

Clinton defenders, trying to counter the impact of Mrs. Willey's dramatic appearance, had suggested that she sought to profit from a book deal about her time in the White House.

The publisher who was contacted months ago by her attorney said Wednesday that her appearance on the CBS News program "60 Minutes" did not help the case for a book.

"The Kathleen Willey presented on '60 Minutes' was a different person with a different story than the portrait that had been painted for me in the last couple of months," said Michael Viner, president of New Millennium Press in Beverly Hills, California.

Mr. Viner said Mrs. Willey's lawyer, Daniel Gecker, had approached him earlier, seeking \$300,000 for a book that presented her as "a fan, a friend who cared about President Clinton."

"It was more of a story of her life," Mr. Viner said. By Sunday, he added, "The story had changed. It was not the same set of facts we were presented with."

He did not say, however, that Mr. Gecker had offered a version of Mrs. Willey's encounter with Mr. Clinton that differed from her televised account.

Mr. Gecker has acknowledged having held talks with Mr. Viner about a book and told The New York Times that Mr. Viner had said the "60 Minutes" appearance could arouse interest in such

a book. Mr. Viner told The Times that he and Mr. Gecker had spoken about a deal that would include a \$100,000 advance.

But he said he had lost interest now in a Willey book. "It would have to be something that's so compelling," he said, "and it's not that piece of lightning in a jar."

Robert Bennett, Mr. Clinton's private lawyer, suggested Sunday on television that Mrs. Willey might have appeared on "60 Minutes" to profit from her accusations against the president. She had not made the charges publicly, though they were reported last summer by Newsweek magazine.

The White House has sought to discount the "60 Minutes" account. Aides noted that in her Jan. 11 deposition in the Paula Jones sexual harassment case, she referred to the Newsweek story of last summer as "garbage."

The Newsweek account reported that Linda Tripp, a former executive assistant in the White House counsel's office, said she had encountered Mrs. Willey in the White House shortly after Mrs. Willey's meeting with Mr. Clinton in November 1993.

Ms. Tripp said Mrs. Willey spoke of having been kissed and fondled by Mr. Clinton. But Ms. Tripp added that Mrs. Willey appeared "happy and joyful."

Not long afterward, Ms. Tripp began tape recording her phone conversations with Monica Lewinsky, apparently angered that Mr. Bennett had attacked her credibility.

Ms. Willey appeared last week before the grand jury investigating allegations that Mr. Clinton had an affair with Ms. Lewinsky, a former White House intern, then asked her to lie about it. The president has adamantly denied the accusations.

Opinion polls taken a day after the Willey television interview showed Americans evenly split on whether they believed her account or Mr. Clinton's denials.

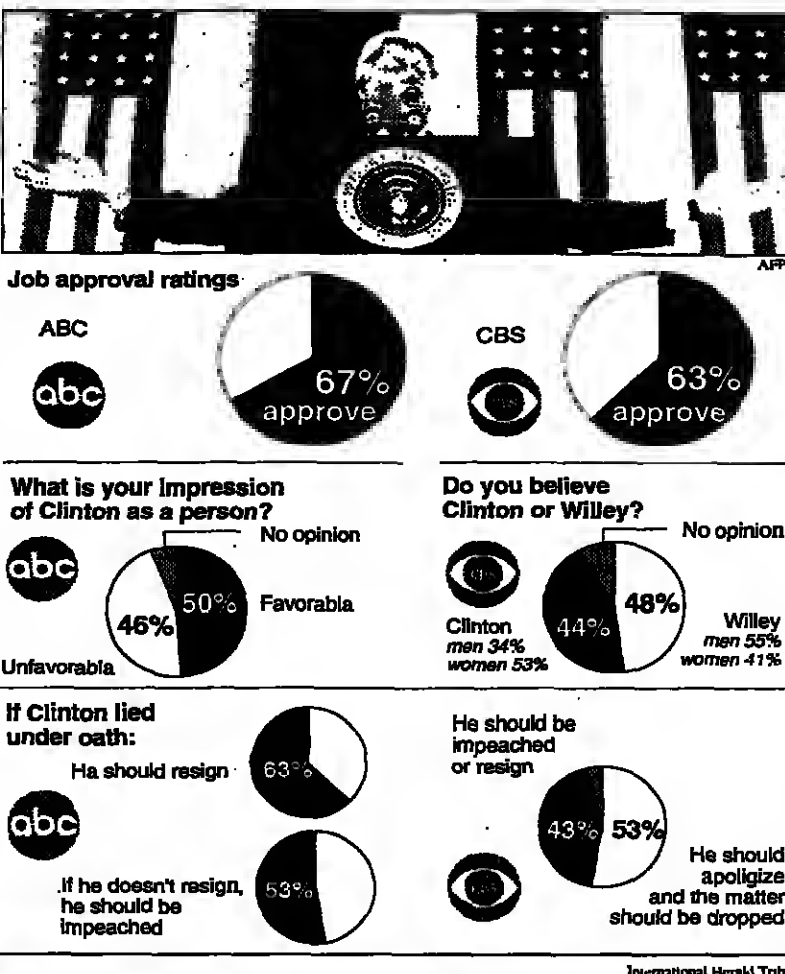
Feminists have supported Mr. Clinton because of his backing of abortion rights and his stance on child care and other issues. Women's electoral support contributed to the 17 percent "gender gap" that re-elected Mr. Clinton in 1996.

But there have been signs of slippage and criticism after the Willey appearance, and not only from Republicans.

"The accusation is very serious," said Stephanie Cohen, communications director of Emily's List, which raises money for women Democratic candidates. "It was a credible account and it's very disturbing. It makes you very uncomfortable."

Clinton's Handling of the Presidency

Two network polls conducted after the Kathleen Willey interview



International Herald Tribune

Americans Keep Heeding Call to Go West (and South)

Census Data Portend Shift in Political Balance

New York Times Service

WASHINGTON — The Northeast and the Midwest are continuing to lose ground to the booming growth centers of the South and West, according to a new census report, a development inexorably shifting the nation's political and economic might.

"What we're seeing is the Northeast and Midwest losing its political clout," said Dick Munson, executive director of the Northeast-Midwest Institute, a bipartisan research organization for members of Congress. "The leadership of this Congress is decidedly Southern. And they are doing a pretty good job of getting dollars for their states."

The survey of population changes in the nation's 3,142 counties showed that while the nation grew by an estimated 0.9 percent last year, the Northeast's population increased by only 0.2 percent and the Midwest by 0.6 percent. At the same time, the West's population grew by 1.6 percent and the South by 1.3 percent.

The list of the nation's fastest-growing larger counties from 1990 to 1997 graphically demonstrates the shift to the South and the West. The first three slots were held by communities just south of Denver, where the springing growth of high-tech industries and the charm of Rocky Mountain living has attracted a flood of transplants from California and the East.

But at the other end of the spectrum, the list of counties that lost the most population since 1990 was laden with Northeastern urban areas, including Philadelphia, which was at the top; Hartford, Connecticut, and two boroughs of New York City, Brooklyn and the Bronx. New York City's population grew overall by 0.2 percent, however, because of growth in the three other boroughs, Manhattan, Staten Island and Queens.

The political implications of the Census Bureau's new report, which was based on estimates of population growth, are potentially immense.

A broad range of federal policies are based on census statistics, from apportioning seats in the House of Representatives to allocating federal funds for hundreds of programs.

The report, made public on Tuesday, offers the closest thing to a preview of the national census in the year 2000, which is intended to be the most accurate accounting of the nation's population. As such it foreshadows losses in federal aid and congressional seats for the Northeast and Midwest come the new millennium.

The statistics also have broad implications for each state's internal politics. Significant growth in metropolitan regions' suburbs will give them increasing power in state legislatures and over gubernatorial elections.

POLITICAL NOTES

Republicans' Choice Loses Illinois Primary

CHICAGO — Peter Fitzgerald, a conservative Republican who tapped into a family fortune to finance his maverick congressional campaign, has defeated the Republican Party's hand-picked candidate, a moderate whom party officials across the United States were counting on to retake the U.S. Senate seat from a Democrat, Carol Moseley-Braun. Ms. Moseley-Braun is considered vulnerable because of first-term controversies.

On Tuesday, voters in the Illinois Republican primary nominated Mr. Fitzgerald, a 37-year-old state senator who opposes abortion and gun control and who spent nearly \$7 million on television ads. The nomination is a blow to the moderate wing of the Republican Party, whose leaders believe that a conservative cannot win a statewide race.

Illinois Republican leaders had

pinned their hopes for winning their first Senate election in two decades on the state comptroller, Loleta Didrickson.

But despite endorsements from Jim Edgar, the popular Republican governor of Illinois, Boh Dole, the Republican presidential nominee in 1996, and others on her behalf, Ms. Didrickson was unable to beat back the challenge from Mr. Fitzgerald. (WP)

A Spending Blueprint

WASHINGTON — The chairman of the Senate Budget Committee has proposed a Republican fiscal blueprint for next year that rejects nearly all of President Bill Clinton's calls for increased domestic spending but provides smaller tax cuts than sought by many Republicans.

The proposal from Senator Pete Domenici, Republican of New Mexico, is the first detailed Republican budget plan this year and appeared likely to be adopted more or less intact by the committee this week over Democratic op-

position. If approved by the full Senate, it would serve as the chamber's broad tax and spending guideline as it confronts the first federal budget surplus in a generation and begins grappling with the long-term financial crises facing Social Security and Medicare.

The plan calls for federal spending of \$1.73 trillion, an increase of 3.6 percent over this year, but turns aside White House proposals for education, child care and health care initiatives. (NYT)

Quote/Unquote

Back after serving 13 months in prison and two years in a halfway house for mail fraud in the operations of his House office, Dan Rostenkowski, one of the most influential Democratic lawmakers of his generation, on trying, at age 70, to salvage his public image: "I'm not going to be the highest lobbyist in the world, nor the highest celebrity out of prison in the world. The last thing I want to do is to become controversial." (NYT)

Away From Politics

• Brooklyn, long associated with violence, gangs and drug trafficking, went a whole week without a single murder for the first time in memory, from March 8 to March 15, the police in the New York City borough said. (Reuters)

• There is now a single federal task force investigating three bombings in Atlanta, including the July 1996 attack at Centennial Olympic Park, and the bombing of a Birmingham (Alabama) abortion clinic bombing, all in the last two years. The task force succeeds one that had been looking into whether Eric Rudolph, who is charged with the Birmingham bombing, might be responsible for the attacks in Atlanta. (AP)

• A Christmas ornament addressed to Hillary Clinton at the White House was blown to bits by a bomb squad in Malvern, Arkansas, which was called to examine the package after it was dropped off at city hall by a woman who ran off after leaving the ornament, a handmade angel. (AP)

• Two brothers were convicted of murder and other charges in an attack on three teenagers who hopped a freight train in the suburbs of Flint, Michigan, and mistakenly got off in a bad neighborhood, where they asked for help finding a pay phone last June. One of the victims, a boy, was killed. A girl in the group was sexually assaulted. (AP)

• Murders by intimates — current or former spouses, boyfriends or girlfriends — have dropped 36 percent in the last two decades, to 1,842 in 1996 from 2,957 in 1976, the Justice Department reported, but the proportion of women killed in such circumstances has gone up substantially. (WP)

With Canada's Future at Stake, Can a Politician Say 'No'?

By Howard Schneider
Washington Post Service

TORONTO — What Jean Charest wants to be is Canada's prime minister. What he is being asked, lobbied, pressed and begged to do is switch political parties, abandon the national stage for provincial politics in Quebec and tap his considerable popularity there to try to defeat the province's separatist premier in the next local election.

Mr. Charest's decision appears to leave the future of Canada in the hands of a politician whose youth, ambition and charisma on the stump have led to comparisons with President Bill Clinton.

His election in Quebec would eliminate the chance of another separatist referendum for the years he governed the province. And those most enthusiastic about the idea say that the son of French- and English-speaking parents — fluent in both official lan-

guages and passionate about Quebec — could even reshape opinion among many of the French-speaking Quebecers who want to form their own country, and thus unify Canada once and for all.

It is a big idea that carries high risks — chief among them, losing to Premier Lucien Bouchard's Parti Quebecois. Even if Mr. Charest, 39, won, he would be trading his dream of running the country for the grind of administering a provincial government and trying to quell the separatist challenge.

On the other hand, the fever in Canada is running so high for Mr. Charest to battle Mr. Bouchard that to refuse the challenge could be politically ruinous. From call-in shows to constituents, from people on the street to Prime Minister Jean Chretien, Mr. Charest has been beset with "pleas to save the country."

"The guy is always faced with these big, huge de-

cisions," said his spokeswoman, Rita Mezzanotte, but this latest "is quite a ton of bricks." The move would force him to abandon his party and his national political plans, she said, as well as uprooting his wife and children from a newly purchased home in Ottawa, the federal capital.

It would be a tough town for him to leave. After the disastrous showing for the Progressive Conservatives under Prime Minister Kim Campbell in the 1993 elections, Mr. Charest took over a party that had only two seats in the House of Commons. His goal has been to restore the party to its historic place as the chief alternative to Mr. Chretien's Liberal Party, combating what he views as the excessive conservatism of the more Western-based Reform Party while positioning himself as a future prime minister.

He has made some progress. Mr. Charest's party won 20 House of Commons

seats in the last election. Whether his present circumstance is viewed more as an opportunity or a predicament, simply being viewed as the best hope to lead Quebec's Liberals against Mr. Bouchard says a lot about both Quebec politics and the state of what Canada calls its national unity debate.

That he might switch parties to undertake this challenge is not surprising. Quebec has no provincial Progressive Conservative party; the local politics there are divided between the Liberals and the Parti Quebecois, which have alternated in power since the late 1960s. Philosophically, it is not a large leap for Mr. Charest to move from the modest conservatism of his national party to the Quebec Liberals.

What is remarkable is how much of Canada's political landscape can hinge on one person's career choices — and how ill-prepared both the

provincial and federal Liberals seem to be to challenge Mr. Bouchard.

After the 1995 referendum on Quebec's future went down to narrow defeat, the next provincial election naturally was regarded as a precursor to another sovereignty plebiscite. A victory by Mr. Bouchard would give the separatists momentum, as well as an incentive to move quickly, while he remained in office.

The previous head of the Quebec Liberal Party, Daniel Johnson, was long recognized as a mediocre and not very popular politician. Doubts about his leadership grew recently as polls showed him trailing Mr. Bouchard by more than ever, with an elec-

tion call expected as early as this spring.

Unexpectedly, Mr. Johnson quit. But what has followed looks less like a leadership race than an attempted coronation. No other candidates were in position, or have since stepped forward, to take over the party that is Quebec's main alternative to Mr. Bouchard and the separatists.

"People are saying Jean Charest has to save the country," Ms. Mezzanotte said. "His answer is that he believes in leadership, not saviors."

"He believes there is a lack of leadership in Ottawa," she added, "if suddenly the leader of the Liberals resigns and there is only one guy" to credibly challenge Mr. Bouchard.

AMERICAN TOPICS

In Nebraska, the Good Life

When thousands of Americans, beginning in the 1840s, followed the Oregon Trail through Nebraska to the rich farmlands of Oregon, few willingly stopped to settle on the way. One explorer had called Nebraska "almost wholly unfit for farming." Many who did stay built houses of sod — "Nebraska marble," they called it — because there were so few trees.

But fire land offered under the Homestead Act was a powerful lure, and the Union Pacific railroad recruited settlers from the East and even Europe. Still, most of Nebraska remains sparsely settled.

That might change a bit, as small towns like Verdigris market themselves with some success as retirement havens. Just ask Pat McCarron, a retiree from Chicago who was smitten during an autumn trip through the Nebraska plains and decided to stay. "I've got a big old house, a big wooded lot, a garden," he said. "I have a lot of friends that I hang out with at the cafe. It's wonderful here. I'm in heaven."

Experts on aging say that the low-cost living (an attractive house can be

had for under \$80,000), low crime rates and relaxed lifestyle of some Great Plains towns have made them increasingly popular retirement spots.

A town like Verdigris may have no shopping malls or museums, but there is the state park and the friendly chatter at the Rainbow Cafe. For public transportation, there is Mildred Kropf, 75, who will drive you anywhere in her old Chevy Cavalier. "When I want to do something, I can do it," said another retiree, Kenneth Peterson of California. "I don't have to deal with the traffic and crowds."

Short Takes

It's not like a certain movie in which a band of plucky scientists career around the countryside finding a powerful new twist every few hours, but a nationwide network of 120,000 trained spotters has proved invaluable at spotting tornadoes for the National Weather Service. With tornado season approaching in the region from Texas through Indiana, thousands more are being trained. The New York Times reports. Part of what they are told is reassuring: Tornadoes are rare. One spotter in Mississippi says he has seen one in 17 years. New spotters are taught to respect one of nature's most destructive forces. They are shown film of a storm picking up six vehicles then spewing them out. Spotters are encouraged to maintain their distance. "These guys who

chase," said one expert, "are nuts."

Thanks in part to the heavy rains brought by El Niño, some of the driest parts of the California desert are exploding with wildflowers in a rare show. The blossoms have attracted students, photographers and regular flower-lovers to witness what some are calling the bloom of the century. Species usually seen only once in 10 years are abloom, and the National Science Foundation in Washington has awarded emergency grants for field studies. As one scientist said, "It's like the ultimate Easter egg hunt."

When Detective Victor Mendes busted into a suspected drug house in New Bedford, Massachusetts, last month, he was startled to find an alligator on guard. "It's the new status thing," he said later. Criminals, he added, have "graduated from pit bulls." The police in the port city have lately crossed paths with four alligators or caimans, a gator relative, which are illegal in Massachusetts. Officers in other cities report similar experiences. But caimans, animal experts say, rarely hurt strangers. "You can't train a caiman to attack," said Susan Littlefield, public health veterinarian for Rhode Island. "It'd rather face one than a Rottweiler."

Brian Knowlton

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EUROPE

Serbian Police Kill Albanian in Kosovo as U.S. Envoy Protests

Compiled by Our Staff From Dispatches

PRISTINA, Yugoslavia — Serbian policemen shot and killed an ethnic Albanian demonstrator Wednesday as the U.S. Balkans envoy, Robert Gelbard, accused Serbian authorities of "outrageous acts" of intimidation and violence in the province of Kosovo.

Mr. Gelbard, in Pristina to meet ethnic Albanian political leaders demanding independence from Serbia, warned President Slobodan Milosevic of Yugoslavia that "serious and biting sanctions" in punishment for the Kosovo dispute were getting closer.

Strobe Talbott, the deputy U.S. secretary of state, drove some Washington's message during a visit to Bulgaria, where he accused the Serbs of ethnic cleansing and summary executions in Kosovo.

About 40,000 Albanians staged a peaceful demonstration in Pristina, the capital of Kosovo, on Wednesday, calling for an end to police violence and independence for the province, but there were no incidents.

The Kosovo Information Center, which is operated by Albanians, said that police bullets killed one man and seriously wounded five in the western town of Pec during protests that were called across Serbia's southernmost province to greet Mr. Gelbard.

Mr. Milosevic has until Thursday to meet demands by the Contact Group of international overseers to make progress with the Albanians after bloodshed this month cost at least 80 lives in fighting with Serbian police.

The Contact Group has threatened Yugoslavia with tighter sanctions if peace talks do not start.

Earlier Wednesday, the Albanians rejected the latest of a series of invitations to confer with Serbian officials, insisting that they were prepared to discuss only independence and wanted an outside mediator. Both demands were rejected by Belgrade.

The French and German foreign ministers, Hubert Vedrine and Klaus Kinkel, will fly to Belgrade Thursday in an effort to bring a compromise

from Mr. Milosevic before the Contact Group deadline expires. In addition to France and Germany, the Contact Group comprises Italy, the United States, Britain and Russia.

According to French diplomats, the two foreign ministers may offer Serbia cooperation agreements in return for concessions on Kosovo.

The diplomats said that the two ministers could make "constructive proposals" about cooperation between Belgrade and the European Union if Serbia allowed the EU to open an office in Pristina.

In Sofia, while Mr. Talbott accused Yugoslavia of carrying out summary executions and ethnic cleansing in Kosovo, he said that the world should use pressure instead of force to resolve the crisis.

"Right now we all feel that the principal instruments available to us are political, economic and diplomatic," Mr. Talbott said after talks with Prime Minister Ivan Kostov of Bulgaria.

Mr. Talbott visited Sofia as part of a Balkan diplomatic mission aimed at preventing violence from spilling over from Kosovo, 300 kilometers

(185 miles) west of Sofia. He indicated that Washington was ready to impose more sanctions against Yugoslavia if it did not open dialogue with Kosovo's ethnic Albanians but said that the United States had not considered deploying more North Atlantic Treaty Organization troops in the region.

"We are going to work with NATO and make sure that all instruments available to us to shore up the region of this conflict are used," he said.

He said the Contact Group "pushed very hard for a meaningful constructive dialogue between the Kosovo Albanians and Belgrade."

"But it is also calling on Belgrade to cease its brutal repressive campaign, which involves ethnic cleansing, summary executions and mass expulsions," he said.

At least 80 ethnic Albanians have been killed in a Serbian crackdown that started Feb. 28 against what Belgrade regards as terrorist secessionist groups. (Reuters, AP, AFP)

Papon Placed His Ambition Above Morals, Court Is Told

Reuters

BORDEAUX — Maurice Papon, the former Vichy official who is accused of crimes against humanity during World War II, was an ambitious and brilliant bureaucrat whose career came before all moral considerations, a state prosecutor told a French court Wednesday.

Marc Robert, delivering his final argument before the verdict in the nearly six-month trial, depicted Mr. Papon as a cold-blooded administrator ready to carry out the Vichy government's anti-Semitic laws to get ahead.

"Maurice Papon belonged to a generation of civil servants for whom good work came before anything else," Mr. Robert said. "Civil servants who were brilliant and efficient, but had no second thoughts about their actions." He described such people as "without moral values, and for whom everything was technical."

"Maurice Papon wanted to rise to the top fast and at any price," he added.

Mr. Papon, 87, is accused of ordering the arrest for deportation of 1,560 Jews, 223 of them children, from 1942 to 1944, when he was secretary-general of the prefect's office in the Bordeaux region and supervisor of its Service for Jewish Questions.

Mr. Robert noted that Nazi officials in Bordeaux wrote enthusiastic evaluations of Mr. Papon twice in 1943, describing him as "a talented administrative specialist who supports Philippe Petain and Pierre Laval," the leader and prime minister, respectively, of the collaborationist French regime. "Can be trusted," the reports added.

Mr. Papon denied the charges against him and said he spent the war saving Jewish lives and helping the Resistance to the occupying Germans.

But Vichy offered him the powerful prefect's job in other areas of southwest France three times in two years, all of which he turned down, Mr. Robert said. This, he continued, showed that Vichy's leaders appreciated Mr. Papon, his merits and his devotion to Vichy enough to offer him positions of responsibility.

The second state prosecutor will deliver his final statement on Thursday before asking for a sentence.

Lawyers are divided over how severe a sentence the jury should be asked to give Mr. Papon, with some asking for life in prison and others believing he deserves a mitigated sentence to stress the difference between the Germans and someone who simply signed orders to climb Vichy's ladder.

Mr. Papon's lawyer, Jean-Marc Varaut, said he believed his client could be acquitted if the jury refused to go along with what Mr. Varaut said was an attempt to place "collective guilt" on his client's shoulders.



A LIGHT MOMENT — Prime Minister Lionel Jospin of France, left, sharing a joke Wednesday with Finance Minister Dominique Strauss-Kahn and the government's spokesman, Catherine Trautmann, after a meeting. A slight reshuffle of the French cabinet is expected within two weeks, officials said.

Pope Calls for More Dialogue With Jews

Reuters

VATICAN CITY — Pope John Paul II, in his first public comment after many Jews criticized a landmark Vatican document on the Holocaust, said Wednesday that he hoped the Jewish-Roman Catholic dialogue would continue in trust.

"I hope and pray that our inter-religious dialogue will continue in a climate of renewed openness and trust," the Pope said in English at his general audience.

The Pope, 77, was addressing a joint American Catholic-Jewish delegation that visited Israel and Rome.

His comments were his first in public on Catholic-Jewish relations since the document, "We Remember, a Reflection on the Shoah," was issued on Monday.

The document was an apology and "mea culpa" for individual Catholics who failed to help Jews persecuted by the Nazis. But it fell far short of satisfying most Jews, many of whom said the document was too little, too late.

It left Jews bitter and divided on the effect it may have on their relations with Catholicism. Some called it a step backward.

Jews were particularly angered that the document defended Pope Pius XII against accusations he did not do all he might have to stop the Holocaust.

They were also critical of what they said was the failure to address the church's preaching of anti-Jewish contempt for centuries, which they said had made the ground fertile for the worst incarnation of anti-Semitism.

Vatican sources said the Pope was keen that differences over the document could be overcome quickly so a dialogue between the two religions, which has made important strides in the past 35 years, could continue.

The Pope, who lived through the Nazi occupation of his native Poland, has made improving relations with Jews a main goal of his 20-year-old pontificate.

He was the first Pope to visit the sites of concentration camps, the first to enter and preach in a synagogue, and he guided the Vatican to diplomatic relations with Israel.

Only a handful of Jews have directly criticized the Pope over the 14-page document, which was written by the Vatican's Commission for Religious Relations with Jews.

Some, including Tullia Zevi, president of Italy's Jewish communities, said the document showed that the Pope was perhaps more advanced than his aides.

"I think you detect the fact that the Pope is more advanced than the Curia, just like some national Catholic bishops conferences are more advanced than others," Miss Zevi said. The Curia is the central Vatican administration.

She was referring to a statement last September by French bishops, who apologized to Jews for the church's silence about the deportation of 76,000 Jews from France to Nazi death camps.

■ Europe Rabbin See 'First Step'

A conference of European rabbis in Prague said Wednesday that it was disappointed by the Vatican's statement on the church's role in the Holocaust, but

cooed that it was a "first step," Agence France-Presse reported.

In a statement published Wednesday, the conference of 17 rabbis warned that the declaration could not "undo the long centuries of oppression, the Inquisition and the persecution which culminated with the Holocaust."

But it added that while dismayed by the Vatican's failure to "accept responsibility for the centuries of persecution of the Jewish people, we recognize the significance of this declaration as a first step in the right direction."

One of the conference participants, Alain Goldman, a high-ranking rabbi in Paris, said that "it was never too late" for church officials to "make good" on the declaration.

Fraud Menaces Armenia Vote, Observers Say

The Associated Press

YEREVAN, Armenia — Serious voting violations marred the presidential elections in Armenia and could invalidate the final result if they are repeated in the runoff, international monitors said Wednesday.

Prime Minister Robert Kocharian and Karen Demirehian, the country's Soviet-era Communist Party boss, received the most votes in the election Monday and face a runoff on March 30. With 93 percent of the vote counted Wednesday, Mr. Kocharian had 39 percent and Mr. Demirehian had 32 percent. Ten other candidates took part, but none won above 12 percent of the vote.

Election fraud is a volatile issue in Armenia. In the last presidential election, in 1996, riots broke out after it appeared that the ballot had been rigged to re-elect Levon Ter-Petrosian, Mr. Ter-Petrosian resigned in February.

International monitors said violations appeared to be smaller and uncoordinated this time, but that the voting process still fell short of Western standards.

The largest group of observers, from the Organization for Security and Cooperation in Europe, reported "significant violations" in 15 percent of precincts, including ballot box-stuffing and the presence of undercover government agents in polling stations.

But the delegation's chief, Sam Brown, said the top two candidates polled so much higher than the rest of the field that the violations could not have affected the outcome. Still, if problems persist in a close runoff, he warned, "it would be impossible to judge the outcome."

Some Armenians predicted that the impulse to cheat would be stronger in the runoff. "We don't have a very democratic country," said Olga Ipekjian, 23, a technician. "In the first round maybe the violations weren't so bad but in the second round I think they will be worse."

The race has stirred significant interest here, with the public eager for a leader to rebuild the economy and resolve the stalemate over Nagorno-Karabakh, a separatist region of Azerbaijan that is home to ethnic Armenians.

Inmates Held In Probe of A Murder at Belfast Prison

The Associated Press

BELFAST — The police arrested several inmates at Maze Prison on Wednesday for questioning about the murder of an inmate who was found savagely beaten and hanged.

The police did not identify those arrested or say how many were being questioned. According to the Press Association, the British press agency, the prisoners were believed to be associated with the Loyalist Volunteer Force, a pro-British group that has claimed responsibility for several recent killings.

The same group took responsibility for placing a bomb Tuesday night outside a Roman Catholic church hall in Larn, north of Belfast, where Protestants and Catholics were having a St. Patrick's Day party. An army team disarmed the device, and no one was hurt.

The prisoners were being questioned about the death of David Keyes, 26, who was found hanged Sunday. He was one of four suspected members of the Loyalist Volunteer Force charged last week with murdering two friends — one Catholic and one Protestant — in a bar March 3.

■ Clinton Meets With All Sides

Steven Erlanger of The New York Times reported.

All the parties to the Northern Ireland peace negotiations paraded through the Oval Office to hear President Bill Clinton admonish them not to squander "the chance of a lifetime for peace."

Mr. Clinton, wearing an acid-green tie and green cuff links sent to him by Irish relatives, cleared his schedule to meet Irish and Northern Ireland political leaders in a "30-hour marathon effort."

The goal of the meetings, from Monday evening through Tuesday night, the president said, was "to close as many gaps" as he could in the Irish peace process, with the hope that the negotiations under British and Irish auspices can produce a political framework by Easter.

If so, Mr. Clinton may visit Ireland and Northern Ireland in May to campaign for a "yes" vote before a referendum, in both parts of Ireland, that could take place as early as May 22. That could lead to elections for a new Northern Ireland Assembly by the end of June.

"This is the chance of a lifetime for peace in Ireland," Mr. Clinton said after meeting with the Irish prime minister, Bertie Ahern.

Mr. Clinton met Gerry Adams of Sinn Féin, the Irish Republican Army's political wing, Monday night. On Tuesday, he met David Trimble, leader of the province's largest party, the Ulster Unionists; John Hume, leader of the Social Democratic and Labor Party; Gary McMichael of the Ulster Democratic Party; and Lord Alderdice, leader of the small, nonsectarian Alliance Party.

LABOR: French and Italian Bosses Say No

Continued from Page 1

economists have also warned that France and Italy will become less attractive locations for investment as a result of the laws, and thus unemployment will rise, not fall. "I find this worrying," said Julian Jessop, a senior economist at Nikko Europe in London. "Most people accept that increased labor flexibility is needed to reduce unemployment. Now the Italians are following the bad French example of reducing labor market flexibility."

Mr. Jessop said the plans to go ahead with the law in Italy were "ironic because just at the time when Italy is about to benefit from monetary union, they risk throwing away the benefits."

He said the measure would "make it less attractive for firms to locate in Italy just at the time when EMU would be making it more attractive."

Ken Watret, an economist at Paribas, said that, in France, this is clearly the most explicit opposition to the government's proposals that we have seen so far. But he noted that it was unlikely that Mr. Jospin would back down since the 35-hour week was "an explicit promise by the Socialists in last year's election campaign."

Mr. Watret recalled that in Italy the reduced workweek was part of a series of promises made in October by Mr. Prodi to the far-left Refounded Communist Party, which had threatened to topple the government. "The Prodi government seems committed to the measure, but how deep that commitment runs is hard to measure."

Some business leaders and many

BRIEFLY

Nazi Convict's Move Upsets Italian Town

ROME — A military court on Wednesday ordered a former Nazi convicted of a wartime massacre to serve out his life sentence under house arrest in the town where Pope John II spends his summer vacation.

The court's decision to transfer Karl Hass, 86, a former SS major, to a nursing home in Castel Gandolfo, south of Rome, drew criticism from the town's mayor and residents. Mayor Luciano Tori said, "Castel Gandolfo hosts the Pope, and it's a town of peace and serenity."

On March 7, a military appeals court sentenced Mr. Hass to life in prison for his role in the 1944 massacre of 335 civilians at the Ardeatine Caves during the German occupation of Rome. The verdict overturned that of a lower court, which sentenced Mr. Hass to 10 years and 6 months but freed him under a long-standing amnesty. (AP)

Cyprus Holds Firm On Plan for Missiles

ATHENS — Cyprus will push ahead with the deployment of a Russian-made anti-aircraft system that has infuriated Turkey, the Cypriot defense minister, Yonakis Omirou, said.

"Everything is being done and will continue to be done to ensure these missiles are effective and operational," Mr. Omirou told the Greek newspaper Eksonia. Mr. Omirou, who is due in Athens on Thursday for talks with his Greek counterpart, Akis Tsohatzopoulos, called the Russian-made S-300 ground-to-air missile system "indispensable" to Cyprus's defense.

The Greek Cypriot government has said that it will take delivery of the missiles this fall. Turkey and Turkish-Cypriot leaders have condemned the plan, saying the missiles are capable of hitting targets in southern Turkey.

Turk Army Bristles

ANKARA — The Turkish military, embroiled in a dispute with Prime Minister Mesut Yilmaz over who should combat Islamist activism, declared Wednesday that it had a duty to protect the nation's secular order.

The Anatolian News Agency quoted Erol Ozkanak, a senior general, as saying that the armed forces were "the undoubted guardians of the secularist Turkish republic."

Mr. Yilmaz has accused military commanders of seeking political gain from a campaign against Islamists. A dozen government and opposition deputies called for a debate in Parliament on the assertion that the army is putting pressure on Mr. Yilmaz's conservative-led government to take a harder line against Islamic activism. (Reuters)

NATO Debate Opens

WASHINGTON — The U.S. Senate has unexpectedly opened debate on expanding the North Atlantic Treaty Organization, one of the most important foreign policy issues in decades.

The debate started Tuesday afternoon when Senator Rent Lott of Mississippi, the majority leader, altered the Senate schedule at the last minute and called for opening statements on the resolution to add Poland, Hungary and the Czech Republic to NATO.

A dispute over federal judgeships and the threat of a Democratic filibuster had halted floor action on a Republican-sponsored education bill, leaving Mr. Lott casting about for something to fill the time until the tangle could be resolved. The NATO resolution was available. (NYT)

Khartoum Expels American

KHARTOUM — An American reporter accused of espionage was deported Wednesday after a Sudanese court found him guilty of spying.

The reporter, Allan Nairn, was expelled after giving a report on Sudan's military and political situation, which the Sudanese government said was a violation of a congressional law that bans espionage.

Mr. Nairn, 38, was accused of spying for the United States and was expelled after a Sudanese court found him guilty of spying. He did not elaborate.

Opposition Tries

BANGKOK — Thailand's opposition tried to force a no-confidence vote in Prime Minister Chuan Leekpai on Wednesday for the economic crisis and corruption.

Former Prime Minister Chuan Leekpai, who had been in office for nearly two months, said he would resign in November.

The opposition said the government was under pressure from the public to resign. The primary cause of the crisis, they said, was the government's financial system.

Seeking a right



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Board of Investment
Government of Pakistan
12th Floor, Saudi Pak Tower,
Jinnah Avenue, Islamabad, Pakistan.
Tel: (92-51) 9207404, 9221824,
Fax: (92-51) 9217665, 9215554
E-Mail: boipak@isp.com.pk
boipr@isp.com.pk

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A Mixed Nuclear Message

New Indian Government Ambiguous on Arms

By John F. Burns
New York Times Service

NEW DELHI — India's new Hindu nationalist government released an agenda Wednesday saying that it would "induct nuclear weapons" into India's military arsenal, then almost immediately qualified its position by saying that it planned to "keep the option open" much as previous governments have done with an undeclared nuclear weapons program over the past 25 years.

The ambiguous declarations on nuclear policy appeared likely to set off a new round of anxiety about a nuclear arms race between India and Pakistan, which has its own covert program to develop nuclear weapons. In recent years, the United States has made strenuous efforts to persuade the two countries to eliminate their nuclear arsenals.

The commitment on nuclear weapons provided a striking counterpart to the main thrust of the "national agenda for governance" that was released at a news conference by Atal Bihari Vajpayee, leader of the Hindu nationalist Bharatiya Janata Party, who was to be sworn in as prime minister Thursday morning. Apart from an abortive 13-day government that Mr. Vajpayee headed in 1996, it will be the first time in India's 50 years of independence that the Hindu nationalists have headed the government.

In a compromise with 14 smaller parties that have joined the Hindu nationalists in a ruling coalition, the new government's agenda omitted virtually everything in the Hindu nationalists' program that has caused anxiety among India's 120 million Muslims and among lower-caste Hindus who have been suspicious of the upper-caste brigs of Hindu nationalism.

For instance, the agenda did not include the nationalists' longtime goal of depriving the state of Jammu and Kashmir, the country's

only Muslim-majority state, of its special status under India's constitution.

But the conciliatory approach did not extend to the nuclear weapons issue, or to a wider commitment to improve morale and combat effectiveness in India's armed forces, which are mostly equipped with aging Soviet military equipment.

"To ensure the security, territorial integrity and unity of India, we will take all necessary steps and exercise all available options," the agenda said. "Towards that end we will re-evaluate the nuclear policy and exercise the option to induct nuclear weapons."

The pledge to make India a declared nuclear weapons state has been a long-standing part of Hindu nationalist doctrine. Political debate here has largely centered on whether India should acknowledge having the weapons or stick with the ambivalent approach of past decades. This has coupled a large-scale covert development program with a policy of saying publicly that India intends to keep open the option of building the weapons.

According to Western intelligence estimates, India has stockpiled about 100 nuclear warheads and could rapidly assemble more. It has also undertaken programs to develop two nuclear-capable missiles, a short-range tactical weapon called Prithvi that could be used against Pakistan, and a longer-range missile known as Agni that could hit targets in China.

By declaring in its manifesto that it intends to "induct" nuclear weapons, the new government appeared to be serving several goals. Aides to Mr. Vajpayee said that one of these was purely domestic.

"This is one nationalist goal that almost everybody in India agrees on, and it will please our own supporters," one aide said.

Indian defense analysts said the declaration would have other advantages. One would be that the Vajpayee government would clear the

way for decisions on financing the nuclear programs, particularly development of the Agni missile, which was suspended in the mid-1990s because of technical problems and pressure from Washington.

Another, the analysts said, would be that the new government could close the door on any renewed American attempt to draw India into signing nuclear arms control treaties such as the Comprehensive Test Ban Treaty, which New Delhi refused to sign in 1996.

But at his news conference, Mr. Vajpayee hinted that the government may not abandon the old policy, which had the advantage of keeping potential adversaries like Pakistan and China guessing about India's nuclear capacity.

When he was asked about the "time frame" for adding nuclear weapons to the Indian arsenal, Mr. Vajpayee replied: "There is no time frame. We are keeping the option open, and if need be that option will be exercised."



Atal Bihari Vajpayee in New Delhi on Wednesday.

New Step in Prince's Return?

Ranariddh Convicted, but Pardon Is Still Up in Air

The Associated Press

PHNOM PENH — A ousted prime minister of Cambodia was found guilty on Wednesday of conspiring with Khmer Rouge guerrillas to overthrow the government and was sentenced to 30 years in prison.

Prince Norodom Ranariddh has been in exile since he was ousted in a coup in July by his rival co-prime minister, Hun Sen. The trial was both an attempt by Mr. Hun Sen to discredit his former colleague and part of a diplomatic effort to allow Prince Ranariddh to return to Cambodia to contest elections July 26.

But diplomats said they feared that an unexpected \$54 million fine leveled by the judge against Prince Ranariddh and three co-defendants could become a stumbling block to the prince's return. The prince has denied all the charges and called the proceedings illegal.

Prince Ranariddh's conviction was a foregone conclusion because the court is controlled by Mr. Hun Sen. The prince and three of his aides were all tried in absentia.

The proceedings are part of a Japanese-brokered settlement aimed at saving face on both sides. It outlines a plan whereby Prince Ranariddh, now that he has been convicted, would seek a royal pardon from his father, King Norodom Sihanouk, paving the way for his return to Cambodia. But the pardon is still very much up in the air.

Vibol Kong, the prince's deputy cabinet director, said in Bangkok that the prince's sister, Princess Buppha Devi, was preparing

an amnesty request on behalf of the prince. Prince Ranariddh has refused to seek the pardon himself, saying it would amount to an admission of guilt. King Sihanouk, meanwhile, says he will grant the amnesty only if Mr. Hun Sen says in writing he would favor it. Mr. Hun Sen has been ambivalent.

Mr. Hun Sen has called elections to legitimize his power and win back foreign aid that was cut off after his takeover. The international community has indicated that the prince's return and participation would be necessary components of free and fair elections.

But the longer Prince Ranariddh's return is delayed, the less likely he will be able to run a competitive campaign.

The trial on Wednesday concluded shortly after convening for the second day at a heavily guarded lecture hall at the Defense Ministry. A parade of witnesses, including Prince Ranariddh's former military adviser, testified Tuesday that the prince was plotting to oust Mr. Hun Sen by enlisting the aid of Khmer Rouge guerrillas.

The proceedings had many of the characteristics of a show trial.

For example, a dead man, Chao Sambath, an aide to Prince Ranariddh who was killed by Hun Sen's troops during the coup — was among those sentenced.

Also, the court fined the four defendants \$54 million for damages to businesses caused by looting during the coup — even though the pillaging was done by Hun Sen's soldiers.

BRIEFLY

Pressing North Korea to Talk

GENEVA — South Korean negotiators asked their North Korean counterparts Wednesday to spell out their conditions for direct peace talks.

The North Koreans indicated their willingness to have talks, "but exactly what that means, exactly when, how, that sort of thing" remains to be determined, said a South Korean official, speaking on condition of anonymity.

China, which is leading this week's four-way talks with the United States and North and South Korea, called in the heads of delegations for a closed session Wednesday.

The main aim of the talks is to draw up a permanent peace treaty to replace the armistice ending the 1950-53 Korean War. The North has refused to talk to the Seoul government, which it describes as a U.S. puppet, saying it wants to deal only with the United States. (AP)

Jakarta Expels American Critic

JAKARTA — An American reporter and activist who has long accused Indonesia of human rights abuses in East Timor was deported Wednesday after entering the country illegally, the authorities said.

The reporter, Allan Naim, was put on a flight to Singapore one day after giving a news conference in which he said the United States was training Indonesian troops in violation of a congressional ban. Among the U.S.-trained troops, he said, were members of a special forces unit accused of torture.

American officials, however, said the training program was legal because it did not fall under a 1992 statute barring Indonesian troops from a U.S. course for foreign soldiers.

Banned from Indonesia since 1992, Mr. Naim entered the country "apparently after changing his passport," said Naina Akhmadyah, spokesman for the Information Ministry. He did not elaborate. (AP)

Taiwan Aircraft Vanishes

TAIPEI — A passenger plane carrying 13 people disappeared from radar screens over the Taiwan Strait on Wednesday night, two minutes after taking off for a domestic flight, airport officials said.

The private TVBS news station later reported that rescue boats had found the wreckage, and that it had unconfirmed reports that two dead bodies had been recovered. Rescue officials said they could not confirm the reports.

The Formosa Airlines Saab 340 disappeared after taking off with eight passengers and five crew members aboard, officials said. Flight B-12255 was heading from Hsinchu, a city on the northwest coast about 80 kilometers from Taipei, to Kaohsiung in the south, on a route inaugurated only Monday. (AP, Reuters)

Thai Opposition Tries Ouster

BANGKOK — Thailand's main opposition party opened a no-confidence debate in Parliament on Wednesday, blaming Prime Minister Chuan Leekpai's government for the economic crisis and accusing it of corruption. Former Prime Minister Chaowalit Yongchaiyut, now in opposition, said the government had failed to follow through on promises it made when it came to power four months ago.

Mr. Chaowalit resigned in November after 11 months in office under pressure from the public, businessmen and his coalition partners after Thailand plunged into its worst economic crisis in decades.

He said the primary cause of the crisis was Mr. Chuan's previous term in government, from 1992 to 1995, during which the financial system was revamped. (Reuters)

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A Start by the Vatican

At the direction of Pope John Paul II, the Vatican has labored for 11 years to address its behavior during the Holocaust. That study now yields a carefully crafted statement that goes further than the Roman Catholic Church has ever gone in reckoning honestly with its passivity during the Nazi era and its historic antipathy toward Jews.

This breaking of new political and theological ground by the Vatican is important and welcome. Yet the document disappointingly stops well short of the unflinching acknowledgments of responsibility that Catholic bishops in France and other European countries have produced in recent years.

The gap was probably unavoidable, given the Vatican's institutional interests and caution. Still, the church's statement, "We Remember: A Reflection on the Shoah," is a sobering and moving call to penitence and a denunciation of anti-Semitism and the Holocaust. Those are no small steps for the Vatican, clearly reflecting healthy introspection by the church. In parts of the world where Catholic anti-Semitism lingers, the Vatican document will be a powerful tool of tolerance.

The church's attitude toward Jews began to change three and a half decades ago under Pope John XXIII. But John Paul II has made good relations with Jews a theme of his papacy. He has visited former concentration camps and meets with local Jewish leaders when he travels. He established diplomatic relations with Israel.

Don't Coddle Rangoon

According to a State Department report this year, Burma's opium and heroin production doubled after the current dictators took power in a 1988 coup, and it has remained stable ever since. Burma is now the major global supplier of opium and heroin, accounting for more than half of world supplies, and it produces enough "to satisfy the U.S. heroin market many times over," the report states. "Overall, the Burmese drug control situation remained bleak during 1997."

The report does not confine its remarks to officials in outlying areas. "The government systematically encouraged leading drug traffickers to invest in infrastructure and other domestic projects," it says.

Secretary of State Madeleine Albright was even more direct last summer. "Burma is also the only member of ASEAN where the government protects and profits from the drug trade," she said. "In fact, Burma's top traffickers have become leading investors in its economy and leading lights in its new political order."

Even setting moral issues aside, an important question is whether "engagement" with such a regime and attempts to burnish its image constitute

an effective anti-drug strategy. It is true that sanctions and diplomatic isolation are blunt diplomatic tools that work only sometimes.

Burma represents an unusual case, in part because it is run by a dictatorship but — unlike Indonesia, say, or China — already has a legitimate democratic leader, Daw Aung San Suu Kyi, daughter of Burma's postcolonial independence hero, heads a party that won in a landslide in a 1990 election.

Burma's dictators have kept her under house arrest ever since, refusing to honor the election results.

She has the support of many ethnically non-Burmese tribes, which have battled the central government for decades but say they accept her vision of democratic federalism. The current regime, by contrast, has bought peace with many of these insurgencies only by allowing them to grow and sell heroin unhindered.

Burma's ruling regime, corrupt by birth and dependent on drug money for survival, cannot satisfy U.S. hopes for meaningful efforts against heroin. The best counter-narcotics strategy is to support those forces inside Burma that truly believe in the rule of law.

—THE WASHINGTON POST

An Irish Deadline

The parties negotiating peace in Northern Ireland have been in Washington this week. They are due to resume formal negotiations next Monday, and have only until about Easter, April 12, to reach an agreement on a peace plan that can be put to British and Irish voters in May.

President Bill Clinton is planning to cajole, wheedle, beg and threaten all sides to get down to business. His mission is sorely needed. So far the parties have mainly postured. Only the British and Irish governments seem to realize that the time remaining for peace can be measured in days.

Sinn Féin, the political wing of the Irish Republican Army, was excluded from the talks after the IRA was blamed for a bombing that killed two civilians in February. It is likely to return to the negotiating table on Monday. Sinn Féin and the Protestant parties must understand that further violence will destroy both the talks and their own reputations.

Sinn Féin has shown the leadership in begin to prepare its constituency for compromise. A week ago its president, Gerry Adams, offered the party's first written acknowledgment that the talks would not produce the nationalist movement's longtime goal of a united Ireland. He wrote in a Dublin newspaper that while Sinn Féin would continue to pursue unity by peaceful means, the talks could produce useful interim

measures improving life for Catholics. His list includes a bill of rights, fair employment, release of prisoners, a new police force and, most controversially, a strong governing body made up of Northern Irish and Irish Republic politicians to oversee most of it.

Unionists must persuade their own voters that peace will require change and compromise. David Trimble, who leads Northern Ireland's largest party, the Ulster Unionists, has not yet begun this work. He has declined to speak directly to Sinn Féin negotiators in the talks, and his party's written proposals have often seemed perfunctory.

The next month will probably see an escalation in violence as desperate fringe groups make a last effort to sabotage peace. But just as the two governments cannot allow the bombers a veto, neither can the parties let their hard-line constituents set their negotiating positions.

The people are eager for peace. Ian Paisley, leader of a Protestant party opposed to the talks, is drawing minuscule audiences to his rallies blasting the negotiators. A group of business, labor and community leaders recently formed an organization called "New Agenda" to push the politicians toward compromise. Polls show that Northern Irish citizens have little faith that their politicians will make peace. The negotiators will have three weeks to prove them wrong.

—THE NEW YORK TIMES

NATO Is in Transition, So Why Not Talk About It?

By Jim Hoagland

WASHINGTON — The U.S. Senate is moving in haste toward a climactic vote on NATO expansion, a foreign policy initiative that defines the Clinton administration's approach to the world as one of strategic promiscuity and impulse. The Senate should not join in that approach.

Foreign policy is the grand abstraction of American presidents. They strive to bargain big, or not at all, on the world stage. They are more free there than they are at home to dream, to emot, to rise or fall on principled positions, or to stab others in the back. U.S. presidents treat foreign policy as the realm in which they express their essence and personality most directly. Think, in a word or two, of recent presidents and foreign policy in their day — Johnson, overreaching; Nixon, paranoid; Carter, delusionally trusting; Reagan, sunnily simplistic; Bush, prudent technician.

NATO expansion is the Clintonites' most vaunted contribution to diplomacy, and they characteristically assert that they can have it all, when they want, without paying any price. Do it, the president told the Senate leadership on Monday in a letter asking for an

immediate vote, and others will later clean up messy strategic details such as the mission an expanded NATO will have and who else may join.

It is an argument that all administrations advance: Trust us, this will turn out all right. Russians will learn that NATO expansion is good for them. The French will not use expansion to dilute U.S. influence over Europe. This will cost American taxpayers only a penny or two a day. And so on, on a number of debatable points which I think will work out quite differently than the administration claims.

But there is also a familiarity of style here distinctive to this president and those closest to him. And why not? Life is not neatly compartmentalized. The all-embracing, frantic, gargantuan lifestyle that has allowed other affairs of state (the Lewinsky, Willey, Jones allegations) to become the talk of the world, justifiably or otherwise, also surfaces in major policy matters.

The White House is urging the Senate to amend the NATO charter to admit the Czech Republic, Hungary

and Poland. An acquiescent Trent Lott, the majority leader, indicated in response that he would schedule a vote in a few days, despite appeals from 16 senators for extended discussion.

Bill Clinton opposes any more debate, even though he has not addressed the public on this historic step and there is no consensus in the United States or within the 16-member alliance on the strategic mission of an expanded NATO or on its membership.

A new "strategic concept" for NATO will not be reached until April next year. It is to be unveiled at a 50th anniversary summit in Washington.

When Secretary of State Madeleine Albright recently said in Brussels that NATO would evolve into "a force for peace from the Middle East to Central Africa," European foreign ministers quickly signaled opposition to a radical expansion of the alliance's geographical area of responsibility.

And Mrs. Albright's deputy, Strobe Talbott, surprised some European ambassadors last week when he gave a ringing endorsement to the possibility of eventual Russian membership in NATO. This is an idea that divides member governments and has not

been seriously discussed in the Senate. "Tregard Russia as a peaceful democratic state that is undergoing one of the most arduous transitions in history," Mr. Talbott said in response to a question asked at a symposium at the British Embassy in Washington. He said Mr. Clinton strongly supported the view that "no emerging democracy should be excluded because of size, geopolitical situation or historical experience."

That "goes for very small states such as the Baltics, and it goes for the very largest, that is, for Russia."

It is a message that Mr. Clinton has given Boris Yeltsin in his private meetings, Mr. Talbott emphasized.

"This is a classic case of never saying never," Mr. Talbott continued. "If the day comes when this happens, it will be a very different Russia, a very different Europe and a very different NATO."

How different, and in what ways, is worth discussing before the fact. The Clinton administration has not taken seriously its responsibility to think through the consequences of its NATO initiative, and to explain them to the American people. The Senate needs an extended debate, not a hasty vote.

The Washington Post

Illusions and No Winners in the Indonesia-IMF Duel

By Philip Bowring

HONG KONG — In the best of circumstances, finding a way out of Indonesia's problems would tax the world's wisest. The actual circumstances are that the two key players, President Suharto and the IMF, are both in denial of reality. It is President Suharto who may have the stronger grasp of the economic dynamics.

He remains firmly in denial of the contribution of his continuation in office and stubborn resistance to changing the system. That is natural, but it is the stuff of tragedy, of a lifetime achievement undone by a fatal flaw.

After a quarter-century of success, it is natural to assume that you are key to solution of the problem, not cause of it. The need for a clear succession, and for redistribution of the spoils of office, may seem obvious

enough to outsiders as to many Indonesians, but it is hard to make people believe what they do not want to believe.

Precisely the same applies to the IMF, which has shown, for good reason, become shorthand for Western economic and political interests in general. The IMF is in denial of the reality that even in the very best of scenarios from now on, Western, Japanese and other banks are going to have to make huge write-offs of Indonesian private debt. One is not here talking of a billion or two dollars, but of tens of billions.

Instead of facing this reality, the IMF promotes the illusion that it has a solution to Indonesia's woes. Its prescribed policy changes to end monopolies and

remove trade distortions will be of benefit in the long run, but it is fooling itself if it believes that such things will quickly restore private sector confidence. In the short term, they could even make life more difficult for important parts of the commercial sector.

The IMF's reform-linked injections of a few billion dollars to stabilize the exchange rate would give a short-term boost to the rupiah. But a few billion is still small relative to the size of foreign debt, and to the desire of anyone with access to foreign exchange in hand it, or send it to Singapore or Switzerland.

Nor will a sudden doubling of the rupiah's value do much to resolve foreign bankers' problems. Of the dollars borrowed by Indonesian companies, per-

haps a quarter has been lost by poor investment in unneeded office towers and power stations. Another quarter may have simply been transformed into flight capital — in the same way as Latin American borrowings in the '80s financed flight capital that did not return for a decade, if at all.

It is now impossible to stabilize the Indonesian situation without foreign debt write-offs on a scale at least equal to the Brady treatment for the Latin crisis. The IMF refuses to acknowledge this obvious truth. To do so would force foreign banks to recognize nonperforming loans — a reform being urged on Indonesia but evaded by some Western banks.

Recognition of reality would also lay the IMF open to accusations of expecting to use tax-

payers' money to bail out foreign bankers who had enjoyed handsome profits from sleazy deals and "private banking" management of the ill-gotten gains.

Mr. Suharto may flounder when it comes to the minutiae of economic or financial rights and wrongs of currency boards. But he has a canny peasant's understanding that if some Indonesians (not the government) owe billions to foreigners, it is the foreigners who have the problem.

By appointing a cabinet of cronies, he is calling the IMF's bluff. If he succeeds, he will get more money with fewer strings. If he fails, the short-term solution will be destabilizing. Inflation will soar and discontent will rise. But they probably would anyway. IMF solutions to the currency crisis have failed twice. Why should they work now? By ignoring the IMF, at least he keeps his dignity.

Indonesia already has factories, power plants, hotels, etc. built with foreign loans. Of course, debt default is not to be encouraged. But do the bankers, who willfully financed capital flight deserve sympathy? At what should we make of the foreign power companies who entered into costly deals with influential people and now squeal "fool" and run to their embassies for help when they find themselves being paid in rupiah not dollars?

Or take the case of Banque Nationale de Paris. When it acquired part of Peregrine, the Hong Kong investment bank that failed because of the Indonesian misadventure, it allowed payment of millions in bonuses to Peregrine directors and managers. This deal, severely criticized by courts in Hong Kong, was at the expense of BNP but of Peregrine creditors. Indonesians, and others, have noted this attitude to the rights of creditors and may apply it to a few billion of their own debts.

Indonesians are baffled by the abrupt turn in foreign sentiment toward them, particularly on the part of the IMF and other previously inveterate fawners. Policies and practices, whether good or bad, had not changed. Even Mr. Suharto's fiercest critics are loath to blame him entirely. The IMF brigade makes it easier for him to take refuge in a nationalist corner, rejecting his internationalist agenda and surrounding himself with friends and relatives. Ultimately it will not save his system, or his family's wealth. But an aging Javanese "king" has better excuses for living on illusions than the IMF or the banks that are due \$70 billion.

In this duel of denial there are no winners.

International Herald Tribune

Palestinians, Too, Ought to Have Security

By Wilfrid Knapp

OXFORD, England — The word "security" has traveled a long way in its derivation from Latin. Its root, *sine cura*, means "without care." Today security has a dual aspect, the material and the psychological.

The relevance of this distinction to Israel and to Palestinians, whether living under the Palestinian Authority, in the occupied territories or as Israeli Arabs, is clear. There is a material aspect of necessary security, in national defense and in measures designed to stop assassination or the planting of bombs. There is also the psychological aspect.

We all want to feel secure, and we will accept almost anything in the name of security.

So the concept of security becomes a lever of manipulation. Probably no one understands this better than Benjamin

Netanyahu. After all, he would not be prime minister were it not for worries about security.

There is little doubt that Yitzhak Rabin would have returned to office had not a Jewish extremist assassinated him; there is a good chance that Shimon Peres would have been elected if a Palestinian had not blown up a bus.

In September 1995, Israel and the PLO signed an agreement known as Oslo B, providing, among other things, for withdrawal of Israeli troops from most of the occupied West Bank. The government of Israel has not carried out that agreement; it has not withdrawn its troops as it should have in 1997.

The only justification for this disregard of an internationally endorsed agreement is security. The Palestinian Authority, it is

said, has not carried out its part of the agreement because it fails to provide security.

Any ordinary person must see that material security can best be achieved by cooperation between the security forces of both sides. Such cooperation has taken place, and both sides enlisted the assistance of the CIA. Before the last election, Israeli sources said the cooperation was working well. Palestinian sources still say it works well at ground level, but that it runs into political difficulty on the Israeli side.

Israel is reported to want to end CIA participation. This is not surprising. If we look for arms held by civilians in the occupied territories, they are found mainly in Jewish settlements.

As long as security concerns can be manipulated, the Oslo

accord can be disregarded and the occupation can remain.

Meanwhile, "security" is practiced unilaterally by Israelis as a cover for gross human rights abuses. Gaza, under the Oslo agreement, is governed by the Palestinian Authority. But Palestinians can go in and out of Gaza only with permit, and such permits can be revoked individually or collectively at will.

With a permit, a Gaza citizen may queue for three or four hours, and who cares if a blind girl wanting to visit a sick mother is turned back because her papers are not absolutely in order?

Citizens of Gaza cannot travel to study at the Palestinian University of Birzeit, near Ramallah. Perhaps it was a would-be student who was killed recently trying to get out of Gaza under the fence. He was shot dead without any attempt to arrest him, so we shall never know.

Occupation means repression. It scars the souls of the occupiers. There are Israelis who know and declare this.

Two abiding impressions remain from a recent visit to Israel, Palestine and the occupied territories. One is the ending dignity of Palestinians — doctors, teachers, schoolchildren, ordinary workers.

The other is the misplaced dedication of young Israelis whose role willy-nilly is to carry out police interrogation at the airport. In my case, it took half an hour. What if I had been a Palestinian?

The writer, a historian of the modern Middle East, is an emeritus fellow of St. Catherine's College, Oxford. He contributed this column to the International Tribune.

Women's Tolerance Has Limits

By Maureen Dowd

WASHINGTON — When The Washington Star folded in 1981, it was hard for me to find another job. I got a little desperate. Finally I was offered a fine job at a magazine. One of its editors made the offer over dinner at a Washington hotel where he was staying.

At the end of dinner, as I got ready to leave, this nice, attractive and happily married editor looked at me and said, "Stay." The room reeled. I stammered something about meeting my boyfriend to celebrate my new job.

"Call him," the editor instructed, pushing a quarter across the table.

Feeling dizzy, I explained that I couldn't reach him, thanked the editor and rushed out of the hotel. When I got out on the street, I screamed. I was furious. I didn't know if I still had the job. Or what the job really entailed. I had come to him out of need, and he responded with an altogether different need of his own.

I wanted to throw the job back in his face, but I knew I would not get another one that good. After agonizing all weekend, I showed up on Monday. The editor was professional and encouraging. He later apologized.

When Anita Hill and now Kathleen Willey came forward to tell their stories about sexual harassment, their critics yelled that these women were clearly lying, since they never would have stayed on pleasant terms with men who had acted so crudely. How could they have continued to work with,

call, write nice notes to or ask favors of Clarence Thomas and Bill Clinton?

Easy. Just ask most working women. Ann Lewis, whose skirt Mr. Clinton is hiding behind, doesn't get it anymore. In 1991 she fought conservatives who said Anita Hill's credibility was shot because she had followed Judge Thomas from job to job, and continued calling him.

Ms. Lewis lectured about the mind-set of working girls: You "have this really prestigious and powerful boss and think you have to stay on the right side of him or for the rest of your working life he could ruin another job."

Now Ms. Lewis, in her role as White House rationalizer, attacks Mrs. Willey's credibility by saying that in 1996, three years after the groping incident in the Oval Office, the former White House volunteer said she admired Mr. Clinton and wanted to raise funds for his campaign.

Women cannot always stand on principle when the men with power over them stumble across the line. Women usually behave in more layered and self-interested ways. These painful nuances of emotion and calculation cannot be captured by the blacks and whites of sexual harassment law — which can make women look hypocritical and manipulative.

Women are accustomed to putting up with immature and

worn behavior by men in their personal lives, and in their professional lives. They have learned, through long years of being subordinated to men in the workplace, to use their wiles and wits to maneuver past eruptions of male libido.

Skeptics wonder why Ms. Hill and Mrs. Willey filed no complaints against their tormentors. But if women took action every time a boss made an unwanted pass or an untoward remark, they would be twice injured: first when they are treated like chattel, and again when they lose their bridge to a good job, a good recommendation and a good contact.

The dirty little secret of gender politics is that women are not fools. In learning to sidestep the importunings of men, they have also learned to turn them to their advantage.

Anita Hill and Kathleen Willey were prepared to extract the good from the bad, and make their bosses' libidos work for them. It's a way of getting ahead in a world dominated by powerful men.

But self-interest, too, has its limits. A woman who is willing to be teased may not be prepared to be degraded. She may tolerate a boss's gaze but not a boss's hands. For women, there is a steadily growing cost in personal dignity for playing the gender game at the office.

So, bosses beware. Some prices are too much to pay. When the line is crossed, some women may not only collapse into tears. They may also collapse into television.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Facsimile Device

VIENNA — The inventor of the telegraph, Herr Szepepanik, will introduce his discovery in the course of the next few days to a select circle of scientific men and journalists. Herr Szepepanik declared today [March 18] that the telegraph will make the entire system of telegraphy as it now exists superfluous. The apparatus will show copies of manuscripts and prints at the remotest distances in a moment of time and fix at one stroke facsimiles of the same on a sensitive plate or sensitive paper.

1923: War on Betting

LONDON — The Nonconformist churches of England have declared war on betting. The Free Church Assembly has passed a resolution declaring that the legal inconsistency of granting Government facilities

for gambling while prosecuting defaulters should be abolished. Reformers are up against a hard fight, for the races in England attract far more general interest than does baseball in the United States. The craze is particularly strong amongst women.

1948: Films in France

PARIS — The French National Assembly called yesterday [March 18] for a drastic cut in the playing time available for American films in France. The motion-picture industry of this country maintains it is being driven into bankruptcy by competition from mass-produced Hollywood films. Robert Lacoste, Minister of Commerce, announced that the French government had already asked for revision of the Blum-Byrnes accord, which sets up a fixed ratio between playing time reserved for French pictures and that available for foreign films.

Herald Tribune
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Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson, 5, Cantonment Road, Singapore 11900 Tel: 65 474 7768 Fax: 65 474 2354
Mtg. Dr. Asia: Tony Dwyer, 51 Gloucester Rd., Hong Kong Tel: 852 502 1188 Fax: 852 502 1190
Gen. Mgr. Europe: T. S. Baker, 15, Abchurch Lane, London EC4N 3DF Tel: 44 20 7553 0800 Fax: 44 20 7553 0801
Pres. U.S. Ann Baskin, 830 Third Ave., New York, N.Y. 10022 Tel: 212 512 2000 Fax: 212 512 2001
U.K. Advertising Office: 63 Long Acre, London WC2E 9LT Tel: (171) 836 4802 Fax: (171) 240 2254
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OPINION/LETTERS

It's Time for America to Prepare An Endgame Plan for Iraq

By Judith Kipper

WASHINGTON — Iraq appears to have been tested successfully in the initial implementation of the agreement negotiated by the UN secretary-general with Saddam Hussein.

This is a positive step provided that the agreement is strictly implemented without either politicizing or diminishing the integrity of the United Nations Special Commission, or Unscop.

The Iraq sanctions crisis is not over, but it is evident that managing the crisis has become extremely difficult for the United States.

The urgent policy question for Washington is how to develop an endgame strategy for the inevitable acceleration of the lifting of sanctions and for the potential rehabilitation of Saddam Hussein.

The goal must be to normalize Iraq as much as possible while severely and permanently limiting Saddam's dangerous behavior.

Every crisis Saddam Hussein creates contributes to his international rehabilitation. This aura of acceptability that has developed around Saddam; the reluctance of the international community to back the use of force; the absence of a U.S. strategy about what comes next, and the virtual collapse of the U.S.-sponsored Arab-Israeli peace process — all this leaves a vacuum in which Saddam can manipulate the international community.

This creates a potentially extremely dangerous situation because Saddam Hussein remains the strongman in the Arab world and a threat to Iraq's neighbors.

The U.S. policy of pressure, threats to use force and occasional use of force have had only limited success in the last seven years. Even with strict sanctions and the use of military force against Iraq, Saddam's grip on power remains strong. U.S. policy has neither changed his behavior nor succeeded in removing him from power, and it is unlikely to do so in the future.

What is necessary now is to continue to disarm Iraq according to UN sanctions and, at the same time, to politically entangle Baghdad in legally binding and guaranteed

agreements supported by the international community that will prevent other Iraqi adventures.

Washington ought to send a strong message to Saddam declaring clearly that when and if Iraq is certified in compliance by Unscop, the United States will be the first to advocate lifting sanctions. But there is a price the Iraqi leader must pay.

Some of the key elements of a U.S.-sponsored package deal that Saddam Hussein cannot be allowed to refuse include:

- Iraq's signed agreement that any outstanding disputes with Kuwait or any other state will be resolved by peaceful means.

- An agreement by Iraq of nonbelligerency to guarantee Kuwait's sovereignty and territorial integrity and noninterference in the internal affairs of its neighbors.

- An agreement that conventional defensive forces in Iraq will be rebuilt only under the close supervision of the international community.

- An agreement that Iraq will continue to be contained and monitored militarily.

- A full and permanent peace treaty with Israel. As part of that treaty, Iraq will build a pipeline to the Israeli-Jordanian port of Eilat-Aqaba that will significantly benefit Iraq's economy by providing a much needed route for the export of Iraqi oil.

- An agreement that Iraq will create an international fund for its reconstruction and development with a fixed percentage of Iraqi oil revenues after sanctions are lifted.

- An agreement that Iraq will resettle Palestinian refugees from Lebanon as part of the labor force that will be required to rebuild the country.

Saddam Hussein is a brute who can no longer be allowed to determine the life of the Iraqi people or the future of Iraq.

Iraq's geopolitical position and its vast oil resources make it one of the most important countries in the Middle East. Its economic development is critical not only for the Iraqi people but for the region.

The reconstruction and development of an Iraq whose leader can never be trusted but who has been tamed would create a much needed economic boom in the area and significantly contribute to

stability in this vital region.

The tension in the area over Iraq would be lessened and the stagnating Arab-Israeli peace process prodded, creating a new geopolitical landscape.

If Saddam refuses to pay what is a reasonable price for his own survival, there can be no doubt that all means will have to be used to control him and to ultimately remove him from power.

The choice must be put clearly in front of him while Unscop continues its work and before sanctions are lifted.

Now that the current crisis has been resolved diplomatically, the situation demands that the Clinton administration develop a strategy for the long-term outcome. This is the only way the United States can hope to protect its seriously threatened regional interests in the Middle East.

The writer is a Middle East specialist associated with the Council on Foreign Relations. She contributed this comment to the Herald Tribune.

Dr. Spock's Security Blanket for Parents

By Ellen Goodman

BOSTON — It was not a book that parents merely read. We clutched it like a security blanket through the sleep-deprived terrors of early parenthood.

When the hospital irrationally released the helpless 6-pound infant into our care without demanding to see a parenting degree, a dated driver's license, a passing test score, we had Dr. Spock's index to cling to.

"Newborns: Feelings in the early weeks."

When we were poised at the fearful edge of the first bath, we gripped the spine of this book as tightly as the wobbly head of our newborn and looked it up.

"Bath: In infancy: temperature of; fear of."

When the crying would not stop, when we had changed, fed, hugged, rocked, ignored, run through our entire repertoire and dissolved in panic, we still had Dr. Spock.

"Crying: From air bubble; from fatigue; from indigestion; hard on parents."

Benjamin Spock made house calls day or night. He knew what we were worrying about before we did.

So when he died Sunday at 94, the

obituaries all reported that his book was our bible. At 50 million copies, it was second to the good book.

But our Dr. Spock was no pediatric patriarch. No deliverer-of-

MEANWHILE

commandments. No unimpeachable authority from on high.

The man who was born at the beginning of the century and died at the end of it bridged the distance from doctor to patient as easily as he did the distance from his 6-foot-4-inch height to his smallest patient.

"Trust yourself," he wrote in the opening line of the book — a line that survived five decades and as many updates, from open adoption to AIDS.

"You know more than you think you do," he told parents who were raw recruits, no more comfortable with newborns than with landing gear on a 747. "Don't take too seriously what all the neighbors say. Don't be overawed by what the experts say. Don't be afraid to trust your own common sense."

It's hard to realize how uncon-

mon such sense was in 1946. The author had grown up in a strict household in a stern era when parents were told to "harden-off" their children like tender new shoots for a harsh, cold world.

Today we forget that experts once advised harsh tactics against thumb-sucking, even strapping the offending thumb away from the needy mouth. A standard guide admonished parents: "Never, never kiss your child. Never hold it on your lap. Never rock its carriage."

Dr. Spock's book was delivered as the first baby boomer left the womb.

Dr. Spock told these parents not only to trust themselves but their children. "The children who are best behaved are those who are treated with respect," he said in a phrase that would be continually twisted into some paean to permissiveness.

"Discipline: Based on love; changing theories; firmness."

By the time I looked to him for infant advice, the pediatrician had expended his practice from the nursery to the world. In 1968, he was tried for anti-war protests. In the 1970s, the old authorities blamed him for raising children out of control — their control.

Dr. Spock became an elder of the youth generation, running for president on the People's Platform, fighting against nuclear weapons and for health care. When others criticized a pediatrician playing politics he answered, "What is the use of physicians like myself trying to help parents to bring up children healthy and happy to have them killed in such numbers?"

"Idealism: Children's need for."

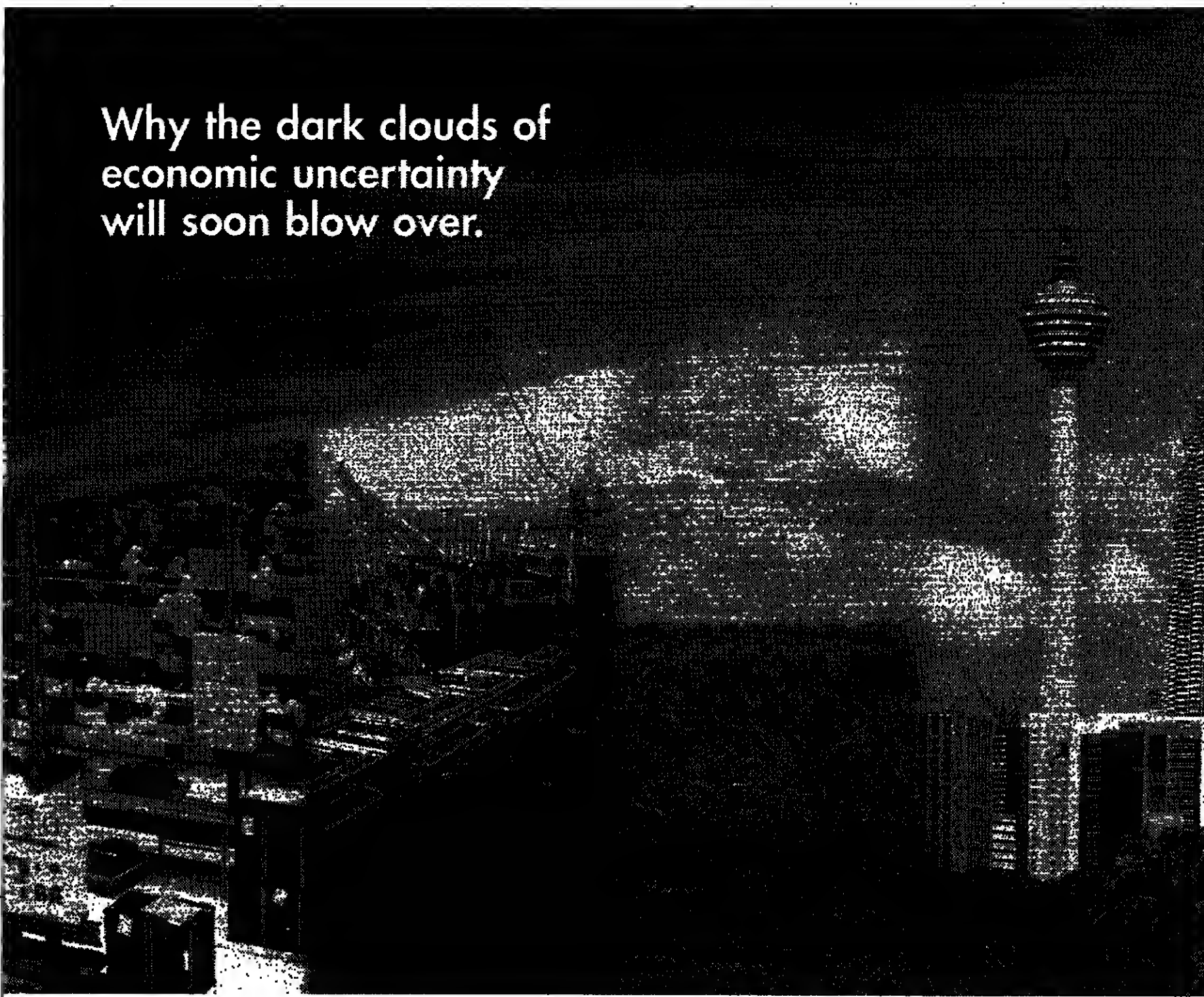
At some point along the way to his very old age, Benjamin Spock became dismayed by the Spock Kids, disapproving of the baby boomers who settled down in what he saw as an apolitical, self-absorbed materialism.

Today the bookshelf that once held Dr. Spock alone is filled with Penelope Leach and T. Berry Brazelton. But it was Benjamin Spock who held our collective hands as we moved from one generation to another. He trusted us and we returned the compliment.

Maybe the final word for this good, struggling man rested with the doctor's own difficult mother. Half a century ago, after reading the book, she said, "Why Benny, it's really quite sensible."

The Boston Globe.

Why the dark clouds of economic uncertainty will soon blow over.



LETTERS TO THE EDITOR

About Taiwan

Regarding "Clear Up the Dangerous Ambiguity About Taiwan" (Opinion, March 13) by Joseph S. Nye Jr.:

Mr. Nye's three-part package for solving cross-strait tensions makes it seem that Taiwan is primarily to blame for the current standoff with China.

Why can't those Taiwanese just forget all this democratic nonsense so everybody can get on with making money in China?

And, yes, forget about the Chinese gulag and Beijing's suppression of human rights and freedom of religion; ignore the systematic destruction of Tibetan culture, and cast a blind eye on the dismantling of democratic institutions and a free press in Hong Kong.

Mr. Nye suggests that Taiwan sacrifice its sovereignty and right to determine its own future because disaster could result from attempts at self-determination. But then, a mature democracy could result, too.

Mr. Nye's advice deserves vigorous rejection.

RICHARD R. VUOLSTEKE

Taipei.

The ultimate aim of Mr. Nye's three-part package appears to be Taiwan's surrender to Chinese authoritarian rule. There are several problems with his proposal.

After decades of struggle against the Kuomintang, the Taiwanese have finally won

civil liberties. They will not readily give up their hard-won freedoms. Most Taiwanese do not believe that China's territorial claim to Taiwan has any valid historical or legal basis. They believe that they alone have the right to determine their own future, without outside military or political pressure.

Suppose Taipei forswears independence, as Mr. Nye suggests, and is attacked by China, say in the year 2007. Can Taipei count on U.S. help? Will the United States now commit itself unequivocally to the defense of Taiwan? Without such a guarantee, it is difficult to see any merit in Mr. Nye's proposal from Taiwan's perspective.

If Taiwan falls into Chinese hands, the sea-lanes on both sides of the island will be controlled by China. The lifelines of Japan and Korea will be threatened. The credibility of the U.S.-Japan Security Treaty will be severely damaged. The forward deployment strategy in East Asia could collapse, forcing the United States to retreat to Guam and Hawaii. Peace and stability in Asia could be threatened.

The real danger to peace lies in the willingness of American business interests and academia to sacrifice the long-term national security of the United States and the freedom of Taiwan's 21 million people for short-term commercial profit.

JAY T. LOO
Lansdale, Pennsylvania.

There have been dark clouds hovering over Malaysia lately. One such cloud has cleared... the haze. Yet when we were about to enjoy blue skies again, another dark cloud set in... economic uncertainty.

We Malaysians, however, expect this to clear too. In due time. With an optimism that is borne out of four decades of incredible economic growth the world has been witness to.

With the perseverance to make changes and sacrifices. With the wisdom of solid economic fundamentals to see us through. With the determination to do everything for the economy to bounce back.

And bounce back we will. How can we be so bullish about it? Because we've overcome other adversities before. And we'll do it again.

MALAYSIA Bullish on Bouncing Back

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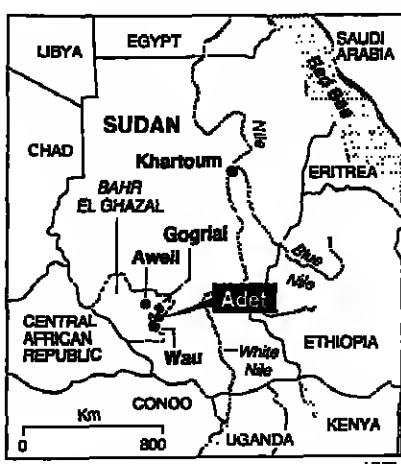
As Buzzards Circle, Sudan's People Wait for Banned Food

By James C. McKinley Jr.
New York Times Service

ADET, Sudan—Buzzards circled the Adet airstrip on a recent morning while Adet's Tong waited with 3,500 other hungry people under the thorn and tamarind trees for aid workers to distribute the food piled at the end of the runway.

Her five youngest children sat naked in the dust next to her, each thinner than the last, their eyes hollow, their ribs visible, their arms like sticks, their bellies protruding in famine's parody of fullness. They had been waiting for two days.

"I went to my parents, but they said they had nothing to feed the children," said Mrs. Tong, 38, whose husband was killed when soldiers looted their farm in October, making off with all their sorghum and cattle. "There is no way I can feed them. I'm just relying on the little I can receive from the aid workers. If I receive nothing, they will die."



The ban on flights has crippled the relief operation at a time when people have little food left in storage after several years of drought, not to mention years of looting and cattle raids from outlaw rebel factions as well as Islamic militias from the north, United Nations officials said.

Aid organizations lack enough trucks to haul the food to the villages where it is most needed, and there are no good roads. So food is being stockpiled in places like Adet, while children are beginning to starve in towns like Thiek Thou, just 100 kilometers (60 miles) away, aid officials said.

"It's a deliberately planned strategy," said one aid worker as he distributed cereal to hungry children. "It's cheaper to them if many people die. To kill them with bombs and bullets is very expensive."

Even in Adet, many of the infants and

old people among the displaced who arrived too late for the first disbursement of food have grown emaciated and weak. Desperate for nourishment, women of the Dinka ethnic group are harvesting bitter beans from tamarind trees and collecting leaves and wild fruit to eat, a strategy they do not usually employ until much later in the year, just before harvest.

"They are surviving now on wild food," said Claude Jibidar, the field coordinator in South Sudan for the UN World Food Program. "In a month's time, or two months' at the latest, the situation is going to deteriorate drastically."

Mr. Jibidar and other UN officials predict that there will be widespread famine in Bahr el Ghazal within a year unless UN planes based in Kenya are allowed to carry food shipments to more locations.

It was in Bahr el Ghazal that 250,000 people perished in a war-related famine in 1989, prompting the UN to begin the airlift operation from northern Kenya, which is still supplying most of the medicine, relief food and social services to Sudan's south.

Since late January, the World Food Program has managed to send about 262 metric tons (289 short tons) of food to the four open airstrips, using aidships and small cargo planes, while an unusual convoy of trucks carried in 360 more tons from Uganda.

"If they don't give us access, in three or four months it will be too late," Mr. Jibidar said. "We will suddenly be dealing with 500,000 people when they do not have the resources to survive. The quantity of food we are taking into Bahr el

Ghazal today can't help the situation."

To make matters worse, the government stepped up its bombing campaign since Mr. Kerubino's defection. Nearly every day since late January, a Russian-built cargo plane has prowled the sky over the region, rolling a dozen cluster bombs out of a rear cargo bay.

Because the pilots have no sighting system, the bombs often fall on civilian locations, military experts said. In the worst attack so far this year, 16 civilians were killed when a bomb hit a market in the town of Thiet on March 1.

The bombing has not only disrupted farming by forcing thousands to leave their homes when they would normally be clearing land in advance of the April rains but also demoralized many farmers who have struggled for years to eke out a living.

Gong Mayar, 40, a Dinka farmer near the Adet airstrip, said he heard the low and distant buzz of the plane's engines Feb. 8 before he heard the sound of the bomb falling, a whoosh like rain. Then came the shattering blow of the explosion. The earth shuddered.

He ran out of his thatched house and found his wife, Arok Reec, 25, face down in the dust about 50 yards away, bleeding from the back and the head. He carried her back to their mud-walled home and laid her near her two children. The baby wailed. His wife could not utter a word.

"She was still alive," he said. "But within five minutes she passed away. I do not know what this war is about. What I know is that they are just killing indiscriminately. They are not targeting the people who are fighting them."

The death of Mr. Mayar's wife was a final, crushing blow to a man who had kept farming through waves of looting and cattle rustling by rebels and pro-government militias alike. His herd of cattle, once numbering 27, has been reduced to 7 pitiful creatures. Two years of bad harvests mean that he has only one 170-pound basket of grain saved to plant when the rains come.

It is not nearly enough, he says, to survive until the next harvest in August.

The daily bombing, coupled with renewed fighting around the towns of Wau, Gogrial and Aweil, has displaced at least 130,000 people. UN officials said. These people have fled without food into a ravaged countryside where local farmers have little food to spare, aid workers said.

"The UN planes are dropping food while the government planes are dropping bombs," said Maalak Ayien, an aid worker with Save the Children, as he distributed cereal rations to children. "The government here is trying to destroy wealth. They keep everyone displaced. People become hungry."

Since 1983 various rebel groups from the mostly Christian and animist southern states have been fighting successive governments dominated by Arabs from the mostly Islamic north. Most of the rebel groups say that they are fighting for independence or just for more political autonomy and greater religious freedom.

But the rebellion has been crippled from its inception by infighting among ethnic factions as well as by rogue commanders who have used the conflict to loot and to enrich themselves.

BRIEFLY

In Rwanda, Trial For Genocide Opens

BYUMBA, Rwanda—Two Rwandan defendants pleaded guilty to genocide and war crimes Wednesday at the start of the largest trial since the massacres in 1994.

Anastase Hategekimana and Celestin Basesoye had been accused by witnesses of "killing" several people, including two children.

The charge lists 51 defendants accused of genocide, and related crimes in Rwanda in 1994, when between 500,000 and 800,000 Tutsi and moderate Hutus were killed.

Of the 51, three died in detention and two did not appear in court because they are minors. (AFP)

Israel to Remove Currency Restraints

JERUSALEM—Israel will lift nearly all currency exchange restrictions in early May on the occasion of the 50th anniversary of the state's creation, the central bank said Wednesday.

The change in policy will lift the \$7,000 limit on the amount of money individual Israelis are permitted to carry out of the country, will permit Israelis to open foreign currency accounts abroad, and will end a ban on Israelis' owning homes or other assets in other countries, officials said. (AFP)

Forest Fires Place Brazil on Alert

BOA VISTA, Brazil—Fires in Brazil's northern Amazon burned deeper into the rain forest Wednesday, eating into the Yanomami Indian reservation, as officials flew to the area to draw up an emergency firefighting plan.

The region's worst fires in recent memory have ravaged 900,000 hectares (2.24 million acres) of highland savanna.

Fernando Catao, Brazil's regional policy secretary who heads a federal delegation that flew to the area, said Tuesday that floods in southern Brazil and a drought in the northeast had stretched his department's resources to the limit. (Reuters)

Guatemala Crash Kills 5 in Chopper

GUATEMALA CITY—A UN helicopter crashed Tuesday on a hillside in western Guatemala, killing at least five people, local and United Nations officials said.

Four others aboard suffered serious burns, according to spokesmen for firefighting brigades there. The dead included an American, a Guatemalan, a Spaniard and an Uruguayan, fire fighters said. (AP)

CHINA: Pragmatists Get Economics Posts

Continued from Page 1

regards as a renegade province. Mr. Qian said last week that the job was demanding and he felt too old to continue.

However, he will still serve on the Party's Politburo and as a deputy prime minister, above the cabinet, responsible for overseeing foreign policy matters.

The National People's Congress formally selected the cabinet and other senior officials from a slate provided by the Communist Party. Only one can-

didate was offered for each position.

Most attention was focused on the new economic team, since China has embarked on a major restructuring of its state industries and its banking system. Continuing as central bank governor is a protégé of Mr. Zhu's, Dai Xianglong.

Serving with Mr. Sheng will be Wu Yi, a rare senior-level woman known to Americans as a tough trade negotiator, who has been promoted to the post of state councilor. She will be replaced as minister of foreign trade and economic cooperation by Shi Guangshen, a deputy trade minister.

On the military front, Defense Minister Chi Haotian, 68, was retained. Analysts said they expected no major change in China's foreign and military policies.

Another wily political survivor in the lineup is Wen Jiabao, who was appointed deputy premier Wednesday. He was at the side of the Communist Party chief Zhao Ziyang in 1989 when the defeated liberal reformer tearfully told democracy protesters in Tiananmen Square he could do no more to help them. Mr. Wen's promotion is a testament to his political wits and to the skill of Mr. Zhao's successor, Mr. Jiang, in balancing party factions to stay in power.

Mr. Wen was part of a coterie of young, talented technocrats employed by Mr. Zhao in the late 1980s to shake up party and government bureaucracies. As the head of a key party office, he escorted Mr. Zhao to Tiananmen Square on May 19, 1989, and heard the party chief make his prophetic apology, "I came too late."

It was the last time Mr. Zhao was seen in public. Hours later, party elders purged him for refusing to back a crackdown. He has since lived under house arrest, occasionally let out to play golf for tour the provinces.

While other Zhao aides were sidelined, Mr. Wen retained his office, apparently with Mr. Jiang's blessing. He thrived on the bureaucracy of the party Central Committee and, at 55, was made a member of the powerful Politburo in September. As deputy premier, he is expected to take charge of agriculture policy. (NYT, AP, Bloomberg, Reuters, AFP)

China's New Cabinet

Agence France-Press
BEIJING—Following is a list of China's new cabinet members:

Prime minister: Zhu Rongji
Vice prime ministers: Li Qiangong, Qian Qichen, Wu Bangxing, Wei Jingsheng
State councilors: Chi Haotian, Luo Gang, Wu Jiaxiang, Anan, Wang Zhaoguo

Secretary-general of the State Council: Wang Zhaoguo
Ministers:
Foreign Affairs: Qian Qibao
National Defense: Chi Haotian
State Development Planning Commission: Zeng Peiyuan

State Economic and Trade Commission: Sheng Huoren
Education: Chen Zhili
Science and Technology: Zhu Rongji
Commission of Science, Technology and Industry for National Defense: Li Jibin

State Ethnic Affairs Commission: Li Deshu
Public Security: Jin Chuanwen
State Security: Xu Yongyue
Supervision: He Yong
Civil Affairs: Du Jie
Justice: Guo Chongli
Finance: Xiang Huocheng
Personnel: Song Qian

Labor and Social Security: Zhang Ziwu
Land and Natural Resources: Zhou Yungang
Construction: Yu Zhengsheng
Railways: Yu Zhimou
Communications: Huang Zhendong
Information Industry: Wu Jichuan
Water Resources: Niu Maosheng
Agriculture: Chen Yaobang
Foreign Trade and Economic Cooperation: Shi Guangshen

Culture: Sun Jiazheng
Health: Zhang Weifang
State Family Planning Commission: Zhang Weijun
Governor of the People's Bank of China: Dai Xianglong
Auditor general of the National Audit Office: Li Jihua

ISRAEL: Settlements Back in Spotlight

Continued from Page 1

project in Jerusalem appeared to subside as quickly as it had erupted, with Mr. Netanyahu saying Wednesday that he considered the incident closed. Earlier, Israeli officials at home and abroad delivered a string of denunciations of Mr. Cook and the European Union for allegedly trying to interfere with Israel's ambitions in Jerusalem.

Throughout the episode, Mr. Cook sounded unrepentant, saying that he had deliberately sought to underscore European backing for the Clinton administration's call to suspend new settlements in order to revive Palestinians' confidence in negotiations.

Before leaving Israel for Syria to continue his Middle East tour, Mr. Cook said at a news conference that the European Union, of which Britain is currently president, was "unanimous" in its "concern about expanding settlements."

The Har Homa housing project, which Mr. Cook visited Tuesday, has sparked

violent opposition among Palestinians, who say that the settlement is designed to complete an Israeli-populated belt around the Arab part of Jerusalem.

In Washington, James Rubin, the State Department spokesman, declined to comment directly about the Har Homa incident, saying that "we were not consulted on the specific itinerary of the trip." Mr. Rubin went on to praise Mr. Cook, saying that the Clinton administration had "great confidence in him personally and in his intentions."

Another American official confirmed privately that Washington and London had held advance consultations about the general line that Mr. Cook would be taking on his trip.

The issue of continuing Israeli settlements in Palestinian-populated areas has frequently resulted in criticism from European governments, especially France. Foreign Minister Hubert Vedrine has said that the peace process is moribund largely because of Israeli behavior in this regard.

In an incident with similarities to Mr. Cook's problems at Har Homa, President Jacques Chirac complained that he was jostled by the Israeli police when he insisted on visiting a Palestinian neighborhood in Jerusalem during an official visit last year. But the Israeli reaction to Mr. Cook "seems so exaggerated, it must spring from some twist in Israeli domestic politics," a French official said in Paris.

Of all the EU countries, Britain has been the one most closely aligned with U.S. reluctance to criticize Israel. Mr. Cook has been promoting a plan to help unblock the peace process, calling on Israel to withdraw a significant number of troops from the West Bank and stop building settlements. Washington has never publicly backed these terms—which are rejected by Israel—but the close ties between London and Washington may have fed fears in Israel that Mrs. Albright is moving in that direction.



Chinese military policemen mustering for patrols outside the Great Hall of the People in Beijing on Wednesday.

PILOTS: Air Safety Flies Into a Touchy Debate Over the Role of National 'Culture'

Continued from Page 1

Investigators and academics do not suggest that one culture produces superior pilots. But studies have found striking variations in the way pilots from different countries approach relationships with their colleagues in the cockpit—and that in turn suggests that airlines must adjust their training regimens to account for those differences. U.S.-inspired training programs have been used around the world, and some safety experts have suggested that these can fail to recognize national differences.

One survey of pilots from 12 countries, for example, found that Korean pilots ranked highest for their trust in automation; pilots from the United States, Australia and Ireland ranked the lowest. Another study of 10,000 pilots detailed how Korean aviators report greater shame when they make a mistake in front of their crew members, while Filipino pilots view their airline as being a large family, thus favoring a more benign and paternalistic command style.

Statistics show that some areas of the world, and some national airlines, have terrible safety records. In the last decade, only five of the world's hundreds of airlines have had four or more fatal crashes, and four of them are Asian: Air India with seven, Korean Air with five, China Air with four and Garuda Indonesian with four. One U.S. airline made the list: USAir, now US Airways, with five.

Korean Air 801 became the 14th Asian aircraft in the last 10 months to go down. These crashes killed a total of 856 people, according to a count by Morton Beyer & Agnew, an aviation consulting firm. The consultants said most of these appeared to be planes being flown into the ground—in industry parlance, "controlled flight into terrain"—and asked whether the aviation industry should "form a task force to review qualifications and training of Asian airman."

Yet questions of culture are not clear-cut. The Japanese, like the Koreans, have a hierarchical society. Yet the Japanese have one of the world's best aviation safety records. Such statistics, according to some researchers, leave culture far behind as a safety issue.

"While accidents tend to be geographically specific, they are not culturally specific," wrote Captain Surendra Ranwade of Emirates Airlines of Dubai in a 1997 study of the issue. "Of the three major accidents in Central/South America last year, for instance, only one was a Latin American airline. The others were a North American carrier and a European one. The poor safety

record in South America can be accounted for by a combination of high mountains, poor infrastructure and relatively crowded skies. Culture plays very little part in any of this."

Moreover, like all crashes, an unusual set of circumstances combined to lead to the Korean Air 801 accident. If culture is part of the equation, it may be only a tiny part.

Investigators want to know why the plane was flying too low and why the crew was confused about its approach altitude. Why was part of the airport's instrument landing system off-line? Why was an air traffic control altitude warning device on Guam misprogrammed?

Korean Air officials have complained that spurious radio signals also may have confused the crew, and one witness is scheduled to discuss that subject at the hearing.

Investigators will also delve into the role the Federal Aviation Administration plays in overseeing foreign airlines that fly into the United States. The safety board has previously criticized the FAA as sometimes lax in enforcing safety regulations on foreign carriers.

Many questions will also be raised about how Korean Air trains its pilots. Investigators have found that parts of Korean Air's training in some critical

areas can be thin. For example, pilots were certified to do instrument approaches if they had successfully performed the same instrument approach to Gimpo Airport near Seoul only three times. Crews are given little training in how to handle unusual approaches, according to investigators.

This could be important in the Korean Air 801 crash because the crew was informed that the airport's glide slope—one of the guidance tools in the instrument landing system—was out. That meant the crew was supposed to do a "nonprecision" approach with different requirements, including maintaining higher altitudes on the approach.

Some questions will have no easy answers, however, particularly ones regarding the crew's actions that night. Why did crew members allow the autopilot to continue flying the plane until just seconds before the crash?

Sources close to the investigation said Korean Air placed heavy reliance on the use of cockpit automation, which is so sophisticated these days that it often can follow an approach path and perform a better landing than pilots flying by hand.

Yet numerous studies show that over-reliance on automation can be a killer. Pilots who trust automation too much will be reluctant to turn it off and "just

fly the plane," even when they see things going wrong. The Flight 801 captain did not turn off the automation until moments before the plane crashed.

A study by Paul Sherman, Robert Helmreich and Ashleigh Merritt of the University of Texas psychology department indicates that national culture is a major factor in determining whether a pilot trusts and prefers automation. In their survey of 5,789 pilots from 12 nations, 100 percent of Korean pilots answered "yes" when asked if they preferred automation and whether the effective pilot "always" used automation—the highest percentage of all the groups.

"Individualistic, egalitarian-based societies" like the United States, Australia and Ireland "may feel more comfortable 'asserting themselves'" with the flight management computer, while pilots from more hierarchical national cultures may be more inclined to accept "the computer's authority without question," the study said.

A Korean Air spokeswoman, Penny Pfalzer, said that officials had not seen the survey, but that Korean Air pilots were required to confirm and cross-check everything the automation does. "There is no pilot, Korean or American, who would rely 100 percent on automation," she said.

OIL: Lowest Prices in a Decade Bring Hope of an Economic Boon

Continued from Page 1

[Economists forecast that Russian plans for making 1998 the year of stable growth could faller because exports could fall by more than 10 percent.]

Oil for April delivery strengthened on the New York Mercantile Exchange on Wednesday, rising \$1.22, to \$14.43 a barrel. In late October, it traded above \$22 a barrel.

Cheaper oil will increase the amount of money consumers have to spend elsewhere, can add to corporate profitability and may result in increased economic growth as a result—but without increasing the rate of inflation, said Mr. Sinai and others.

If oil prices average about \$6 a barrel cheaper than last year, that could reduce the annual cost of U.S. oil imports by \$16 billion, a 23 percent drop, said Joyce Brinner, a principal in Standard & Poor's DRI, an economic forecasting company. The United States spent \$71 billion on oil imports last year.

Oil prices have been sent into a decline by a combination of factors, including a

mild winter in the North Atlantic, higher and higher inventories, a slowdown in demand in Asia, and the unwillingness so far by two of the biggest producers in the Organization of Petroleum Exporting Countries—Saudi Arabia and Venezuela—to cut production to arrest the fall in prices. The market also is expecting increased exports of oil by Iraq eventually.

"We are in a completely different price environment now," said Mohammed Abduljabbar, a senior economist with Petroleum Finance Co., an oil-industry consulting firm.

The end of the decline is not in sight yet, said some forecasters. A consulting firm headed by Ahmed Zaki Yamani, a former Saudi oil minister, said that the price could fall below \$10 a barrel.

OPEC agreed to new quotas for production in November, but key members have produced more than that amount. Saudi Arabia has chafed over Venezuela's violations. "It's a fight over market share," said Philip Verleger Jr., an oil industry consultant. "It's just a good old-fashioned price war."

OPEC postponed until March 30 a

meeting of its Market Monitoring Committee that had been planned for Monday, reducing the likelihood of a quick remedy to overproduction.

The longer the producers wait the more significant the cut in production will have to be to turn around this market," Mr. Abduljabbar said.

Firms to Make Low-Sulfur Gas

The largest U.S. oil refiners plan to announce Friday that they will reduce the sulfur content in gasoline, allowing carmakers to fuel a new generation of low-polluting cars, according to sources within the federal government and the oil industry. The Washington Post reported.

The planned announcement by the American Petroleum Institute, which represents refiners, comes on the heels of demands this week by U.S. automakers that the government force oil companies to produce the new fuel.

The new cars will be available in showrooms next year, and the automakers filed a petition with the Environmental Protection Agency to prod the oil companies.

Translatic
Misuse at
Free Internet Site A

By Bruno Giussani

NEW YORK—Umberto Eco

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The Name of the Rose

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can type in a word, a sentence

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search in a matter of seconds

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By Andrew Pollack

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With digital, if you can find

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Cohen, president of the Digital

Film Restoration Project. "If

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Indeed, George Lucas digitally

restored features to some scenes

of "Star Wars" trilogy when

they were released in 1997.

Digital technology is adding

a dimension to the passionate

debate over what is appropriate

in film restoration.

Are old movies artworks

preserved in their original

state, or should they be

restored to their original

TribTech

Translation Software:
Misuse at Own Risk

Free Internet Site Attracts Jokesters and Poets

By Bruno Giussani
New York Times Service

NEW YORK — Umberto Eco has a passion for playing with words. So he yielded to the latest Web temptation: AltaVista's free Translation Service.

Like many other Internet users, the Italian semiotician and writer — whose works include "The Name of the Rose," a novel in which language and ancient books hold the key to a series of mysterious deaths in a medieval monastery — started by poking fun at the machine.

Based on software from the French company Systran, AltaVista's service can translate on the fly back and forth between English and five other languages: French, German, Spanish, Portuguese and Italian. Other options such as Japanese and Korean are in the works.

Users can key in a Web address and the corresponding page will be displayed in the original layout, with just the text translated into the requested language. Or they can type in a word, a sentence or a paragraph up to 500 words and have it translated in a matter of seconds.

For several weeks now hundreds of thousands of people looking for entertainment on-line — including Mr. Eco — have been busy typing in gobblets of text, having it translated into another language and then translating it back.

Results are often funny: it's actually quite easy to make an automated translation look goofy if one is just a little familiar with the subtle nuances between different languages.

Type in "rock and roll," ask the machine to translate it into another language and then back into English, and you'll get everything from "rock and roll" to "cliff and seam."

Submit sentences including slang expressions or homographs, those words which are spelled the same but have different meanings. Use, for example,

the English word "male," which means "evil" in Italian. Type in a couple of lines with "hurro" ("butter" in Italian, yet a Spaniard would understand "donkey"). Or try out a paragraph with "deception," the word the French use for "disappointment."

Exploit the difficulties the translator has in keeping track of names. Passed into Italian, then back into English, a biographical notice such as "Bill Clinton was born in Hope and grew up in Hot Springs" will read: "The invoice Clinton has been taken in the hope and it has been developed in warm motivating forces."

To those who have never dealt with automated translation, the tool may seem unreliable. "The system clearly has limitations," said Dimitrios Sabatakakis, the chief executive of Systran.

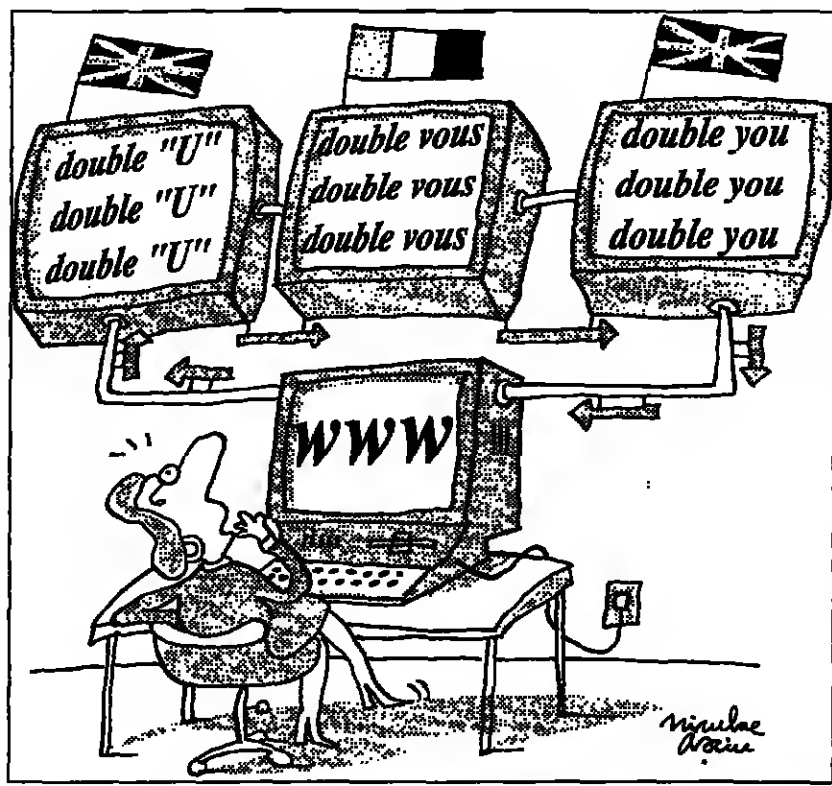
"By translating back and forth, you accumulate mistakes both ways," he added. "This really isn't the best way to test the machine."

Assuming that they are aware of the limitations of the technology, the magic — and the usefulness — of the AltaVista translator lies in that it allows Internet users to get a glimpse of understanding of information written in a language they do not speak. For Europeans trying to access the 80 percent of the Web that is in English, this is already great news.

The system may also give Americans and Britons an idea of what is being published on-line by all those foreigners. Read the latest on the German's rising political star, Gerhard Schröder, directly from Der Spiegel magazine. Learn about a French actor or an Argentine writer.

AltaVista suggests enhancing searches by using the system to translate the query words into another language, search for information in that language, then translate the pages that look interesting.

Having tried all these options, Mr. Eco offers another hint: Use the trans-



lation service for creative purposes. Take for example the first two verses of Dante Alighieri's "Divine Comedy": "Nel mezzo del cammin di nostra vita, mi ritrovai per una selva oscura."

Having it translated into English and then back into Italian just "proves that a machine cannot compete with the Divine Poet," Mr. Eco wrote in L'Espresso, an Italian magazine.

But what if we type in the original Italian text, tell the computer that it is in Spanish, and ask for an English version? The machine will of course find Spanish words that it doesn't know, and will leave them unchanged: "Nel mezzo del cammin I gave nostra vita, mi ritrovai to per a dark forest."

Let's owe rue Dante's original sentence several times through different languages. At some point it will read "In the sense of our life, calm I have found in one dark forest." While the sentence may sound peculiar, it suggests a feeling that is the opposite of

Dante's, who was frightened to be in the forest, not "calm."

Mr. Eco would be thrilled with this result: "all we have to decide now is which contemporary poet we can attribute these verses to," he wrote.

Beyond jokes and poetry, Systran's products are a serious business. The European Union, for example, uses them as a productivity booster for its armadas of 1,800 human translators who deal with thousands of pages of documents a day in a dozen different languages.

Founded in the 1960s in California to develop Russian-to-English machine translation systems for the U.S. Air Force and later for the National Aeronautics and Space Administration, Systran is a rare case of an American high-tech company bought out by European investors.

Based near Paris, the company sells client-server and desktop translation tools mainly to governments and corporations. Teaming up with AltaVista, it is now moving into the mass market. Its basic "personal translation" software package is priced at \$49, with a more advanced version at \$250.

SITES

AltaVista's translation service can be found at:
<http://l1belfish.altavista.digital.com/cgi-bin/translate>
Systran's Web site:
<http://www.systransoft.com/>

ALT / Commentary

Designing a Web Page?
Keep the User in MindBy Margot Williams
Washington Post Service

WASHINGTON — What do Web users want? Recently, I've spent a good part of my time conducting Internet training sessions for journalists and journalism students in the United States and — of all places — Hong Kong. It's a great gig and I often learn as much as anyone else — in particular about what Web users really want from the people who create Web pages.

The most common question I get is: "How do I know if the information on a page or a site is good information?"

People would have a lot easier time answering this if authors would provide more information on their pages about their products and themselves. Specifics about the publisher, including name, credentials, affiliation and contact information — both e-mail and phone number — are crucial. It's not good enough just to tell people to "contact webmaster."

How current are the information and the page? Readers want to know the date the page was created or updated. They also want to know the date of the information that is displayed on it. And what is the point of view? If your site has a commercial interest or an advocacy issue, let the reader know.

Is the information correct? Readers want to know the source is reliable. Attribution, references, spelling and grammar are taken as evidence of the general quality of your site.

What type of information is included? Before clicking on a hypertext link, readers would like some idea of what they are getting into, seeing as how they will often be sitting twiddling their thumbs as the page downloads. Describe the contents clearly. Is the person going to a list of links? A sound file? A graphics-heavy display?

Web users also have a lot to say about Web page design. They may not know much about it, but they know what they like and what they hate.

Here's a wish list from Web users to Web designers: Create pages that appear on the screen quickly. Don't load them up with big graphics. Related issues: no blinking, no an-

imated graphics, no dancing babies. Make the navigation easy. Keep the buttons in the same place as you move through the site. Those buttons and icons should be logical and labeled.

A site map is a good tool for navigation. Adding a search engine to your site will bring cheers. Keep in mind that many people still have good reasons to send Web pages to their printers. If the page is displayed as white type on a black background, the text will not appear on the printed page.

If you want to reach the widest audience, make sure your pages are accessible by a full range of technology options. Don't assume that users will upgrade their systems or program versions in order to see your stuff.

Remember that some folks disable Java on their browsers to speed them up. Many don't have all the helper applications that make those special effects and file formats readable. Give these readers an alternative in text or bml without frills.

Consider your global audience. If you can't, clear, well-written English would be helpful, too.

If you're making an effort to produce a page that people will "bookmark" on their browsers for an easy return to it, take the time to add useful interactivity. All kinds of feedback mechanisms are well received: e-mail, Web discussions and Web-to-database fill-in request forms will get you those return visits and kind comments.

But expect some complaints as well. Anyone can be a publisher on the Web; anyone can be a critic, too.

Margot Williams's e-mail address is: williams@washpost.com.

SITES

Related sites on the Internet:
For more information on evaluation of Web site quality, check out the Information Quality WWW Virtual Library:
www.iqolek.com/
WWWInfoQuality.html
For the 1997 Media in Cyberspace Study:
www.mediasource.com

Should Technology Fix Film Flaws?

Digital Restoration of Classic Movies Creates an Artistic Dilemma

By Andrew Pollack
New York Times Service

LOS ANGELES — If one looks closely at the opening credits of "Gone With the Wind," one might see a flagpole that is not really attached to the building from which it is jutting. The flaw results from a crude 1930s special effect, combining a real flagpole with a painting of a building.

Now, the 1939 movie classic is going to be restored and rereleased for its 60th anniversary. Should the flaw be fixed, or should it be retained as an intrinsic part of the original masterpiece?

The question, albeit somewhat trivial, is an example of those being raised by a powerful new technology — digital film restoration. For the first time, the images within a frame of film can be altered. The restored film can thus be arguably "better" than the original, or at least different.

"With digital, if you can think it you can do it," said Marty Cohen, head of postproduction at the DreamWorks studio. "If you want to take Humphrey Bogart out and put Brad Pitt in you can do it."

Indeed, George Lucas digitally added new creatures to some scenes of the "Star Wars" trilogy when the movies were rereleased in 1997.

Digital technology is adding yet another element to the passionate debate over what is appropriate in film restoration. Are old movies artworks, to be preserved in their original state, or products, to be upgraded to retain their consumer appeal?

Both considerations — cultural preservation and profit — have spurred increased interest in film restoration. With the explosion of cable and satellite television channels and home video, movie studios have realized there is gold in their libraries of old films. But these old films were often not properly stored; it is estimated that about half the films made before 1950



"Star Wars," "Touch of Evil" and "Gone With the Wind" have been restored using digital technology.

are lost and many made since then are fading and deteriorating.

Film restoration is also getting a push from new technology, such as high-definition television, that displays clearer images. Splices and crude special effects will become less acceptable as viewers become more discerning and demanding.

Digital restoration involves scanning film to convert each frame into a digital image. These images can then be displayed on a computer screen and manipulated by an artist using a mouse or a digital pen and tablet. The repaired image is then recorded back onto film.

Digital technology allows film restorers to do things that are difficult or impossible with the older optical and chemical techniques, which have involved trying to make new exposures from older negatives, color separations or other components.

With digital technology, scratches, tears and dirt can be erased and the space filled in with pixels identical with those nearby or borrowed from the preceding or following frame.

And images can be changed to correct mistakes. In restoring Disney's "Fantasia," artists filled in a shadow for Mickey Mouse missing from one

frame and the foot of an animal missing from another, said Jerry Pooler, visual-effects supervisor at Cinesite, a Hollywood company owned by Eastman Kodak Co. that did the restoration.

But digital has its detractors. Purists complain that the digital systems have lower resolution than film itself, so the resulting restoration, while clear of dirt and scratches, can lack the visual richness of the original.

The biggest obstacle to digital restoration is the \$1 million to \$5 million cost of restoring a film, several times that of using photochemical techniques. A movie might have 200,000 frames that must be cleaned up at an average rate of about 15 frames an hour. Each frame requires up to 50 megabytes of storage, meaning high computer costs.

So far, the only studio using digital restoration on a consistent basis is Walt Disney Co., whose animated "Snow White" was the first film to be fully digitally restored in 1994.

Restorations often include footage not in the original film. Seagram Co.'s Universal Studios is cooperating in the reconstruction of Orson Welles' "Touch of Evil." Using digital technology, the film will be recut in the way Mr. Welles intended, with quick scene changes, based on a 1957 memo the director wrote to the studio, which overruled him.

But many of the new uses are for subtler changes — fixing such things as the flagpole in "Gone With the Wind" that resulted from sloppiness or the limits of technology at the time the film was made.

In the future, some believe, studios might archive their films and television programs in digital form, which could then be distributed easily via digital television or the Internet.

But for now, no digital format has the richness of film, and some question how long digital media, like magnetic tape and CD-ROMs, are likely to last.

AN INSTANCE OF THE
FINGERPOSTBy Iain Pears, 691 pages.
Riverhead Books, \$27.

Reviewed by Michael Dirda

OXFORD, 1663. After more than 20 years of civil and religious upheaval, a king once again sits on the English throne. The Protector Oliver Cromwell is dead. The Levellers, Diggers and other factions — with their wild dreams of an egalitarian society — have been destroyed or dispersed. Peace, finally, has returned to a ravaged land... or has it?

So begins Iain Pears's crafty and mesmerizing intellectual thriller, "An Instance of the Fingerpost."

As haunting as "The Name of the Rose" and as gripping as "Tinker, Tailor, Soldier, Spy," this is a novel about deception and self-deception, about the scientific method and Jesuitical chicanery, above all about political expedience and religious transcendence.

A fingerpost was a crossroads marker that used a painted finger to indicate the right direction. For most of this long narrative, there is no such reliable pointer. In these pages we are lost in a wilderness of mirrors, doubting testimony, evidence and even confession, ultimately unsure of who is using or betraying whom. But Pears gradually, and masterfully, takes us from an unexplained death in a small college town to a revelation that could shake the foundations of England.

One afternoon an Italian gentleman named Marco da Cola arrives in Oxford, seeking the noted scientist Robert Boyle. Cola has been studying medicine in Leiden, with a particular interest in the properties of blood, and he has come at his teacher's suggestion to pay his respects to Boyle. The Italian is easygoing, amiable and perhaps a little naive. Al-

most everyone likes him immediately. But is he what he seems, a simple student of natural philosophy?

One of the suspicious few is John Wallis, the greatest mathematician in England before Newton, and for many years the chief code-breaker for John Thurloe, the chief of Cromwell's intelligence service. Wallis possesses an icy, even cruel intelligence, being one of those men with a legion of admirers and no friends. Strangely enough, he has survived the Restoration, as has his even more formidable master: the courteous, gentle-spoken Thurloe — who, Wallis says, "could be more terrifying with less effort than any man I knew."

Over the next few weeks Marco da Cola gradually grows acquainted with several Oxford notables — the medical student and philosopher John Locke, the historian Anthony Wood, the young Richard Lower — but he, most strangely, shows a peculiar interest in Anne Blundy and her daughter, Sarah. The Italian treats the elder Blundy as she lays mortally ill, even though the pair are far too poor to pay him, and pays close attention to the talk of the pretty, introspective Sarah, branded a slut and widely suspected of being a witch. The father of the family, the soldier Ned Blundy, is dead, but is remembered as a tireless fighter for absolute equality between women and men, peasants and aristocrats. He died, it is said, under mysterious circumstances.

As does, one night, Robert Grove, a gruff, obstreperous don, poisoned in his chambers. Who did it? And why? Cola, Sarah, a young theology student named Thomas Ken and one or two others had opportunity. But was Grove the intended victim, or could the poisoned wine have been meant for someone else?

This is the stuff of classic mystery, but Pears — who has written a half dozen contemporary whodunits involving the

art world — uses it mainly as the wedge to pry open other, far more deadly political secrets.

The same night that Grove was murdered a young man named Jack Prestcott daringly escaped from prison, where he was awaiting execution for murdering his uncle. The youthful would-be lawyer is obsessed with proving the innocence of his dead father, Sir James Prestcott, a notorious traitor and double agent during the Civil War.

In the second section of the novel, Jack lays out his efforts to unearth the truth about his father's role in a secret society called the Sealed Knot, and incidentally fills in some of the gaps in Cola's opening account of his event-filled visit to Oxford.

In the third section, Wallis takes over the story and relates how his return to cryptography, this time in the service of King Charles's minister, Henry Bennet, leads him to understand the deeper purpose of Marco da Cola's sojourn in England.

Finally, in the last quarter of the novel, the genial local historian Anthony Wood does the honors, revealing the murders of Grove, the secrets of Sir James Prestcott, the mystery of Marco da Cola and the truth about Sarah Blundy.

For readers even a little familiar with the 17th century, it is pleasing to realize that "a bumptious man who works in the Navy Office" must be Samuel Pepys, or to recognize "King Lear" from Cola's disapproving description of the play.

In fact, all but a handful of the characters are actual historical figures. (Pears provides a convenient dramatis personae as an appendix, along with a chronology.) Fans of Christopher Hill's many books on 17th-century intellectual history and of Keith Thomas's "Religion and the Decline of Magic" may even have a leg up on more casual readers.

Washington Post Service

BRIDGE

By Alan Truscott

SOME hands leave a defender bewildered. The diagrammed deal from the Flight A Regional Swiss Team Championship in Hap-pauge, New York is an example.

In one case North-South bid to four hearts quickly, with North raising hearts immediately. West led a trump. The declarer concluded that the trumps must be splitting evenly, since it is seldom right to lead trump with a singleton or from a four-card holding, and made the indicated play: win with the ace, play diamonds, ruffing the third round with dummy's trump jack, and draw trumps.

In the replay West led the unbid club suit. East took two

winners and shifted to a diamond. South won and was nervous about playing in ruff a diamond. He would not know whether to ruff high, and there was some possibility the diamond lead was a singleton.

He therefore played four rounds of trumps, intending to take his 10th trick in spades. The position is shown at left.

The routine play at this point was the spade 10, planning to duck in dummy. South hopes for a three-two split but has the option of a finesse. West was expecting this and planned to cover with one of his honors, winning the trick. Then a low spade return would put South to the test.

But South led the spade two and West played low, fearing that his partner held the singleton 10. South played dummy's nine but if he had lost this trick he would have gone down with no chance of a finesse. The 10 would block the suit.

West was left to realize that he could have played an honor and beaten the contract, and to

wonder whether South was foolish or brilliant.

NORTH (D)
AK874
QJ6
106
475

WEST
Q103
1087
Q74
Q88

EAST
53
QJ52
AKJ32

SOUTH
105
QKQ42
AK83
104

Both sides were vulnerable. The bidding:

North: 1♣ Pass 2♠ Pass 3♠ Pass 4♥ Pass 5♥ Pass 6♥ Pass 7♥ Pass

East: 1♦ Pass 2♦ Pass 3♦ Pass 4♦ Pass 5♦ Pass 6♦ Pass 7♦ Pass

West: 1♣ Pass 2♣ Pass 3♣ Pass 4♣ Pass 5♣ Pass 6♣ Pass 7♣ Pass

South: 1♦ Pass 2♦ Pass 3♦ Pass 4♦ Pass 5♦ Pass 6♦ Pass 7♦ Pass

West led the club six.

TECHNOLOGY INDEX

A glance at technology stock indexes around the world			
	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange Technology	337.26		+16.07
Standard & Poor's Technology Composite	797.80		+13.98
Europe			
Morgan Stanley Eurotec	540.19		+40.23
Asia			
Topix Electric	1684.43		+2.45

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- Web Gossip Gets a Day in Court Mar. 13
- SGS-Thomson Halves Chips for Navigation Mar. 13
- Is Sky Really Falling? Astronomers Bicker Mar. 14-15
- Signaling Puts Universe Farther Out Mar. 14-15
- A Lively Race on the Net Mar. 16
- The Cyberlawyer: Legal Articles of Information Era Mar. 17
- Altel Purchase to Create Telephone Giant Mar. 17
- Intel Is on the Prowl to Invest in High-Tech Navcoms Mar. 17
- Brisk Business for Computer Security Companies Mar. 18

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[illegible]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	



Information Society

What Next in Multimedia Revolution? Beware Predictions

By Barry James

HELSINKI — In line with other historical bloopers such as "This telephone has too many shortcomings to be seriously considered as a means of communication" (Western Union memo), "I think there is a world market for maybe five computers" (IBM chairman Thomas Watson), or "640k ought to be enough for anybody" (Bill Gates), the British scientist Lord Kelvin was seriously off the mark when he proclaimed 100 years ago: "Radio has no future."

Today, radio is a major component in the phenomenal growth of the global telecommunications network, the largest and most complex object ever made by man.

The fusion between wireless communication, the entertainment industry, data transfer and the classical telephone is driving a revolution. The boundaries that separated the telephone from the

radio or the television receiver are breaking down with bewildering speed.

"In another 10 years — who knows? — distinctions between broadcasting and telecommunications may mean nothing at all," Pekka Tarjanne, secretary-general of the International Telecommunication Union (ITU), told broadcasters in Los Angeles last month.

Mr. Tarjanne comes from Finland, the world's most wired up, switched on nation — with more Internet connections per capita and more portable telephones than anyone else. It is the home of Nokia, which 100 years ago was a dusty little company producing paper products and rubber galoshes and which now makes more than 20 percent of the world's portable telephones and much of the underpinning infrastructure.

Nokia began marketing mobile telephones only 16 years ago, hefty devices magnitudes bigger and some 60 times heavier than today's shirt-pocket or pocketbook gadgets.

Nokia executives tend not to call them telephones anymore. They are "communicators," increasingly capable of receiving and sending short messages or faxes and even of browsing the Internet.

The telecommunications industry is about to embark on another of its seismic changes with the adoption in Paris in January of an open set of standards for the next generation of digital mobile phones. Already Europe and Asia are on board, but it remains to be seen whether the United States will participate in creating a truly global norm.

The new phones, available around the turn of the century, will have enough speed and bandwidth to receive still and full-motion video images as well as voice — making the videophone a near reality — and will operate anywhere in reach of a satellite.

Nokia has also rapidly embarked on the manufacture of set-top boxes that turn an ordinary television receiver coupled with a phone connection into an Internet communicator. The reason is

obvious: there are more television sets in the world than there are telephones.

More than half the world's families have no telephone. In the developed countries, there are 45 phone lines or more for each 100 people. In sub-Saharan Africa, there is less than one, and in many rural areas, none. Only around 20 percent of the world's fixed phone lines are located in developing countries, home to 85 percent of the world's population. About 97 percent of Internet hosts and 84 percent of personal computers are located in richer countries with only 16 percent of the world's population.

THE mobile phone could help close this gap, by enabling countries that do not rely on costly fixed infrastructure and lines. In Bangladesh, one of the world's most indigent nations, the Grameen Bank, which lends small sums of money to the very poor, has set up a telecom subsidiary that aims to put at least one portable phone in each

of the country's 68,000 villages, making it the largest wireless pay phone project in the world. The bank's founder, Muhammad Yunus, says his vision is simple: to put 100 million peasants in touch with the outside world, and to bring them jobs via the Internet.

Incidentally, having created the telecom subsidiary, the bank then set up another company to make solar panels to recharge the phones. That's a classic example of the dictum that the telecommunications industry is not only a creator of wealth — \$600 billion in sales in 1996 — but also a facilitator of wealth. The value of financial services transferred across the international telecommunications networks exceeds \$1 trillion every day.

Already more mobile phones are being added around the world than fixed phone lines. Industry executives predict there will be 600 million mobile phones within five years, equal to the number of fixed lines today, and even that heady figure could be largely outstripped. "Even 100 percent market penetration

is not the limit," said Jyrki Laine, a senior Nokia executive. "After all, how many watches do we have?"

Cellular phone prices in Finland already are approaching the level of fixed phone tariffs. In the near future, Nokia executives say, digital wireless phones may become the norm for voice communications, leaving fixed lines for mass data, Internet, intranet and broadcast transmissions. In effect, mobile and fixed communications will merge into a seamless whole.

Although most people may not have realized it yet, 1998 is year zero of a revolution, according to Mr. Tarjanne. It was the start of global deregulation and competition.

On Jan. 1, the European Union opened up its telecommunications infrastructure and markets to domestic and foreign competitors. An American company, for example, can own a European subsidiary, complete a call from end to end and pocket the proceeds.

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U.S. Military Draws Up Battle Plans on How to Win an 'Info War'

By Joseph Fitchett

PARIS — Information warfare was born with hackers, anarchistic whiz-kids who got so bored waiting for their turn running a big IBM mainframe at the Massachusetts Institute of Technology that they turned to pranks such as taking a piano apart, then reassembling it atop the chapel spire.

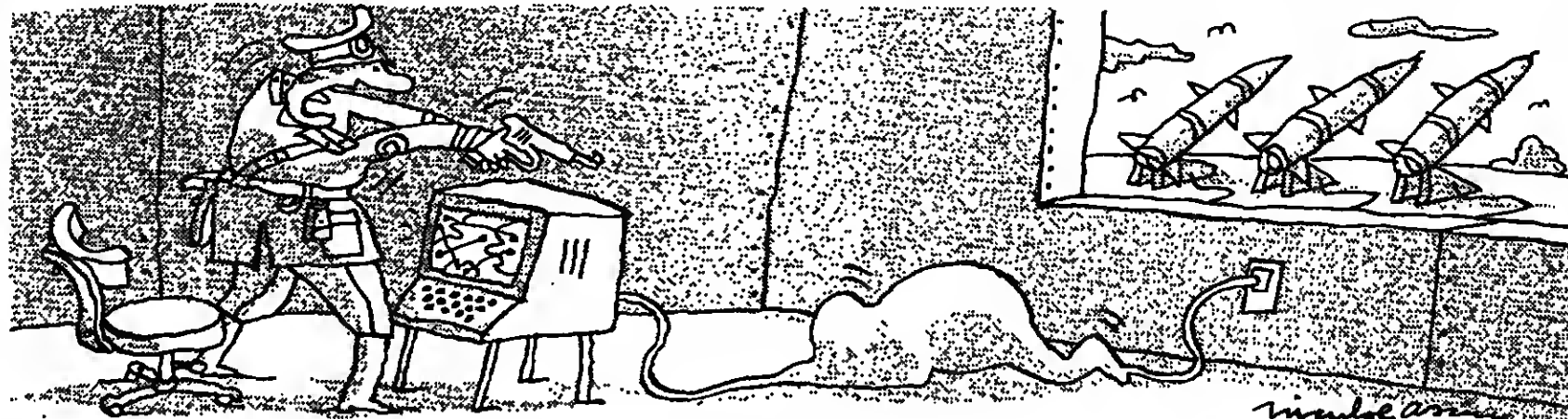
Known in the college jargon as "hacks," these extracurricular activities were channeled in the 1970s into imitating telephone codes to obtain free long-distance dialing and then into breaking into the networks that started tying together computers, initially those of the Defense Department and its laboratories and military contractors.

It was the Cold War, and spies quickly spotted the hackers' military potential. In a well-publicized early case, KGB agents infiltrated the Chaos Computer Club in Cologne, West Germany, and recruited hackers to make long-distance break-ins by telephone to siphon out information from computers to the Pentagon and some defense contractors' offices. The hackers were detected — by accident, officials would have you believe — and then caught in a trans-Atlantic electronic cops-and-robbers chase.

The episode is well recounted by Clifford Stoll, an academic turned government consultant, in his book, "The Duckoo's Nest." It fit a general perception in the 1980s that military computers exposed the United States to danger. Hackers started in "WarGames," a 1983 movie in which computer manipulations almost set off an accidental nuclear war.

Such scenarios seem wildly over-amplified to experts grappling with the current problems of "information warfare," the new military specialty that is both touted as the new U.S. super-weapon and as a possible Achilles' heel for the U.S. military. As studies proliferate, the only certainty seems to be the degree to which different specialists disagree about the nature and extent of the threat.

Last year a task force under Pentagon auspices warned that U.S. forces might be vulnerable to "an electronic Pearl



Harbor," meaning that enemies could suddenly destroy or damage so many networks and electronic functions that the U.S. administration and economy would collapse.

At the same time, however, the U.S. military relies increasingly on what strategists call "information dominance" to enable the United States to win wars on its own terms. Roughly speaking, the concept, also known as "the revolution in military affairs," rests on the idea that U.S. forces can rely on closely knit systems of networked

A super-weapon or an Achilles' heel for U.S. military?

computers as the basic weapon for winning wars.

The key to this military revolution is digitalization, allowing communications, pictures and artificial intelligence to be packed into a single system that embraces satellites, missiles and robots and ground troops. An overwhelming electronic advantage will allow the United States to read enemy codes — and even substitute false messages. High-precision missiles can knock out key installations, neutralizing enemy fire power. And satellites provide a complete picture (including car license-plate numbers) of everything in a 100-

mile by 100-mile battlefield. Thanks to miniaturization, each foot soldier gets a complete picture constantly of any immediate threats.

Ideally, the hope is that U.S. air, ground and sea forces can see and destroy enemy forces before they themselves are spotted.

"It's America's gift to warfare," says former Admiral William Owens, an influential theoretician. In his thinking, "info war" is usually offensive because only the United States has the ascendancy in data processing and miniaturization to rely heavily on information technology. Information gleaned by satellites can be shared instantaneously by commanders, air force interceptors and infantrymen on the ground.

In addition, the ability to overpower rival countries' electronics means that the United States can use the technology to launch stealthy, fast, devastating attacks on the military and civilian infrastructure of an enemy, from knocking out a country's communications to knocking its missiles off course.

The promise of this new technology is so powerful that Admiral Owens has compared it with the old strategic importance of nuclear weapons. Just as the U.S. edge in nuclear strength was the basis for the Western alliance in the Cold War, today the near-U.S. monopoly of information technologies should provide a new basis for coalition between Washington and its allies if the United States offers to channel its information resources into guaranteeing

the security of its allies.

The targets are myriad, especially if you go beyond the military and think about sabotaging services that depend on information technology by simply

their networks start to collapse. Potential targets include telecommunications, power and utility distribution, stock exchanges, banks, air traffic control, the International Revenue Service and Social Security — all these were small

a recent CIA study of U.S. vulnerability in an info war.

Experts are constantly discovering new potential targets, and new limits. Just as the United States never sought a limited nuclear exchange with Moscow, it has refrained from using its electronic capabilities. It could, for example, hack into the electronic records of banks to wipe out all of Saddam Hussein's wealth stored in banks around the world. "You don't do things where you might be vulnerable to a counterattack of the same nature," a U.S. official said.

So where is the real concern of U.S. strategic planners? Offering some cautious generalizations, a senior U.S. military officer said in an interview recently at NATO headquarters that there was no realistic threat of a "WarGames"-type operation or even of seeing hackers steal U.S. military secrets.

Of course, it still gets reported, as it did last month, when 11 U.S. military com-

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Why Europeans Lag in Using PCs

Computers in U.S. Do Far More and Are Cheaper

By Sharon Reier

PARIS — In the computer industry, where there are buzzwords for everything, the catch phrase is "the technology gap."

Microsoft and Bill Gates may be household names around the world, but the reality is that there is a dramatic gap between acceptance of information technology and personal computers in the United States as opposed to Europe. Statistics indicate that more than 45 percent of households own personal computers in the United States while only 23 percent do in Europe.

And in Japan, where the 20,000 Kanji characters made traditional personal computer keyboards difficult to use until recently, personal computer acceptance has also lagged with only 17 percent of households equipped with PCs.

So are Europeans and Japanese opting out of the information age? Are they 20th-century Luddites, resisting technological imperialism from America rather than forsaking their cultural heritage?

Not exactly. Indications are that economic factors may be as important as cultural ones in slowing information technology's inroads. The economic gap through most of Europe is that personal computers cost more and do less than they do in the United States.

Toni Bouten, vice president in charge of European consumer marketing at Compaq, explained the price differential this way: "In Europe, PCs are more expensive because of VAT, higher

labor costs and higher property rental costs for computer dealers." Compounding the problem, he reckoned, is that, on average, Europeans have 25 percent less disposable purchasing power after taxes.

"We have done surveys," Mr. Bouten continued, "and we found that people are not willing to spend more than 5 percent of their total annual income on a PC."

Once they buy a personal computer, European consumers typically get less benefits from them. According to Ulrich Puhusch, founder and CEO of Actebis, one of Germany's highest computer distribution companies, the typical German consumer uses his home computer as much as 90 percent of the time for games, whereas his American counterpart uses his to find stock quotes, communicate with friends and business connections through e-mail and to search the Internet.

Many Americans regard their personal computer as a communications tool. In Europe, the Internet has not yet achieved critical mass, so it is primarily a computing tool and toy. "The root cause is the extremely high cost of telephone usage in Europe," Mr. Bouten said. "There is a lack of availability of good local content," such as advice on where to go out in the evening.

This appears to be changing. France Telecom reports 1,000 subscribers a day signing up for its Wanadoo Internet service. And an initiative to transfer Minitel services onto the Internet may stimulate more PC use. In Germany, the number has grown to two million. But

that still lags far behind the United States, where nearly 100 percent of personal computers are equipped with modems — communications devices that allow the computer to hook up to the telephone system. In Europe modem use is under 50 percent.

Eliminating the economic factors by comparing computer usage at two prestigious multinational corporations, Bristol Myers in the United States and Nestlé SA in Europe, one finds the so-called technology gap narrows significantly.

Requested to provide a log of their normal daily computer use, both Marlene Lichtman, a product manager for Vavoom! hair care products, a Bristol Myers subsidiary in Cleveland, and Benoit Marotte, group product manager for coffee products at cafés and vending machines at Nestlé in Paris, produced remarkably similar routines.

Both managers logged on first thing in the morning and picked up their e-mail. Both used accounting software systems, inventory software systems with sales and product breakdowns. Both used their computers to write up reports on meetings. Both have portable computers that they take home most evenings for an extra two or three hours of work that may entail sales projections.

But there were differences. Mr. Marotte received an average of 20 to 25 e-mails a day, virtually all on company business. E-mail from social acquaintances, he remarked, "is not very common in France."

Continued on Page 12



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INFORMATION SOCIETY / A SPECIAL REPORT

Beijing's 'Backyard' Industry

Illegal Trade in Homemade Computers Thrives

By Richard Tomlinson

BEIJING — Swinging their truncheons, a dozen "intellectual property police" strode into action along Beijing's Zhongguancun street. At the sight of them, the hawkers of pirated compact discs and CD-ROMs hurriedly gathered their wares and decamped.

"We're here to get rid of the software pirates," said one policeman. He appeared less concerned, however, about the hardware handouts along Zhongguancun, in the heart of Beijing's university district. The street is home to hundreds of computer stores.

At first glance, the businesses seem entirely legitimate. At one shop, for instance, licensed to sell IBM personal computers, the manager was horrified at the suggestion that he might also sell homemade or "backyard" models, as they are known. "There are people, usually foreigners, who ask us if we can assemble our own computers," he said. "We can't do this, because there are strict laws in China about who is allowed to make them."

Next door, however, Wu Qing, erstwhile movie stuntman turned backyard computer specialist, is less troubled by the rules. Mr. Wu, 24, says "it's easy" to assemble a computer. "You just take the bits from different computers, depending on what your customer wants. Most Chinese can't afford imported parts, so my computers generally have local or Taiwanese parts. When I have an order, I just call friends on the street to buy what I need."

After-sales service for backyard computers may be nonexistent, but product delivery is exceptional. Normally, Mr. Wu can build a computer from scratch in a matter of hours.

He and thousands of other backyard operators across China are kept in business by soaring domestic demand for personal computers. The Ministry of Electronics Industry estimates that last year around three million personal computers were sold in China; the latest forecast suggests demand will rise to 4.5 million units in 1998, and 10 million units by 2000.

Although many of these computers are sold to offices and factories, a growing number of China's upwardly mobile urban middle class are getting "wired." Zhang Qi, a senior official at the Ministry of Electronics Industry, reported last year that around 5 percent of families in China's coastal cities own computers.

It is a three-tier market. At the top end are the major international brands like Compaq, IBM, AST and Hewlett-Packard, whose models can sell for as much as 25,000 yuan (\$3,000).

"These PCs are mainly aimed at foreigners and local Chinese yuppies," said Xu Yang, a 33-year-old Beijing businessman who bought a Compaq two years ago for 21,000 yuan. The Ministry of Electronics Industry estimates that foreign manufacturers claim about 40 percent of total market share.

Competing in the mid-price range are Legend, Great Wall, Tontu and Founder, the leading domestic PC manufacturers, as well as a host of Taiwanese brands such as Giant, Leo and Acer. These computers are typically 15 to 20 percent cheaper than the most basic international models and sell for around 10,000 yuan. And they are the kind that the new class of urban professionals on steady incomes can afford. Legend, a venture by the Chinese Academy of Science, claims to have sold 433,860 computers last year, or 14.3 percent of total market share. Great Wall, the next largest mainland manufacturer, claims market share of 7.5 percent.

That still leaves plenty of space for hundreds of backyard operators such as Mr. Wu, who do business at the bottom end of the market. Prices change weekly, according to demand, but the unwritten rule for these operators is that they must always undercut the middle-ranking "legitimate" Chinese and Taiwanese manufacturers.

One do-it-yourself operator off Zhongguancun street even posted a cost breakdown for customers. For about \$950, he could assemble a personal computer that incorporated an Intel P-120 central processing unit, a SUGA monitor, and a 16-megabyte memory. "The price of the model is subject to

change according to the price of parts," the notice explained. Although few of these merchants will discuss profit margins, according to Xu Yang, the Compaq owner, these are generally around 30 percent.

As for the spare parts supply chain, Beijing's backyard operators can buy Intel-95 circuit board retailers for less than \$100, with no questions asked, at Electronic World, a state-owned department store on Zhongguancun street.

A typical customer recently was Hua Xueyu, a 25-year-old computer dealer from Nanjing, who was inspecting circuit boards. Mr. Hua's principal concern was quality. "If you're an expert," he explained, "you can tell whether it's the genuine article from the serial number." Once satisfied, Mr. Hua proposed to buy 100 circuit boards for assembly at his workshop in Nanjing.

AND HOW did he market the end product? "Usually I put a Philips sticker on the outside frame," he said nonchalantly. "My customers like this brand."

Faced with such mass hardware plundering, legitimate manufacturers have so far adopted a surprisingly low-key response, at least compared with the criticism directed at China's software pirates.

Jochen Doering, head of corporate communications at Siemens Nixdorf, said last year that the company was staying "pretty cool" about the backyard industry. The argument made by Siemens-Nixdorf and other big computer makers is that the backyard operators are helping to build the market. In time, the argument runs, upwardly mobile Chinese will progress from unreliable, hastily assembled models to authentically branded personal computers with a proper after-sales service.

The pessimists, however, maintain that the backyard industry has to be tolerated because it is impossible to suppress, given the spiraling demand for cheap PCs and the token nature of the official "crackdowns."

RICHARD TOMLINSON is a journalist based in Beijing.



Chinese are avid buyers of home computers. Shanghai shoppers check out models at Yaohan department store.

Mixed Signals From Asia Crisis

By Philip Segal

HONG KONG — The economic crisis in Asia is not as bad as it might seem, according to some technology executives, although the demand for personal computers in Indonesia is 30 percent below what it was a year ago, and exports from electronics powerhouses such as Singapore are falling as well.

"I don't expect a turnaround soon," said Bruce McCabe at Dataquest in Sydney, an analyst who follows sales of PCs, desktop computers and low-end servers. Because governments and companies in Asia have just recently revised their purchasing budgets, "we really feel some of the impact hasn't even hit," he said.

But then ask Craig Bailey, another analyst at the same firm, about the future for computer services in Asia, including systems integration, outsourcing of payroll, consulting and training. For him, the economic crisis has been nothing more than a "storm in a teacup." Indonesia, Thailand and Malaysia may have seen their currencies plunge, but together they make up no more than 7 percent of the Asia Pacific services market, which itself is only 5 percent of the world market for services.

"Even if we took a hit of 10 percent across the board, this is only half a percent in the world market, and we're not even forecasting that it will be that bad," said Mr. Bailey.

Elsewhere, the picture is similarly mixed, because Asian technology companies export not only to the United States and Europe, but to other countries in Asia as well. Non-oil domestic exports from technology-heavy Singapore fell 0.5 percent in January, even though a weaker currency against the U.S. dollar is supposed to make exports grow. Export orders from Taiwan fell 14 percent in January compared with the same month in 1997, with orders from Hong Kong down 30 percent, a five-year low. Japan ordered 29 percent less. Scary statistics, but broken

down by sector, electronics orders were unchanged, and those for information and telecommunications products actually rose.

So far, the computer market in China has remained robust, as China's currency has not depreciated like almost all the others in East Asia over the last six months. But International Data Corp.'s head of China research, Karim Davisak, is not willing to predict a continuation of this year of healthy market growth. The economic outlook in China, which some economists think could see its currency fall by 25 percent this year or next, is simply too murky. Since 30 percent of China's overseas investment in 1997 came from the Asian region, problems in Hong Kong, Indonesia, Malaysia and Singapore are bound to have repercussions even in a country with a growth rate of 8 percent.

For every Kent Electronics, whose stock in the United States fell 28 percent in one day last month when the company warned that slow sales in Asia would cause fourth-quarter profits to fall, there are the Dell Computers and others kinds of technology companies that are not only riding out the Asian crisis, but perhaps even using it to open doors previously closed to them in the region.

Japan's NEC Corp. says it expects total semiconductor sales to drop by 1 to 2 percent as a result of the Asian crisis, and figures that demand is down by more than half in South Korea. The upside: with a vastly devalued currency and a domestic banking system up to its

eyes in debt, South Korea will have trouble financing the constant improvements in technology needed to stay ahead in the semiconductor business.

That is what makes Paul Edstrom happy. He is senior vice president with Comdisco Electronics Group of California, which leases new and used semiconductor equipment made by the likes of Nikon and Novellus. For him, the Asian financial crisis may achieve what years of banging his head against a wall could not: access to the vast South Korean market, which until now has been largely closed to foreign suppliers.

One reason for that is that leasing is part equipment business and part finance. Since Comdisco mixes debt and equity when it finances semiconductor equipment, it used to come up against South Korea's unfavorable tax laws and its barriers against foreign equity holdings in the country, some of the most restrictive in Asia.

BEFORE this year, Korea's chaebol, or conglomerates, banded most of the leasing in South Korea. Now, with the country in the midst of a mammoth credit crunch, foreign leasing companies are being treated much more kindly. "In the last 30 days, five of the top 10 equipment suppliers have come to us and said: 'Can you fix this for us? We don't want to lose this order,'" in Korea, said Mr. Edstrom.

Among foreign manufacturers and distributors in Asia, very few have announced that they are packing up and leaving until the going gets good again. For one thing, assets right now are extremely cheap. For another, customers will remember who was there for them when they were unable to pay their bills during the darkest days of the crisis. Compaq and Hewlett-Packard are just two of the household names that have been busy investing in the Philippines, India and other parts of the region.

PHILIP SEGAL is the International Herald Tribune's correspondent in Hong Kong.

Trans-Atlantic 'Technology Gap'

Continued from Page 11

By contrast, Ms. Lichtman reported around 150 e-mails per day, including those from friends around the country. She also has a standing request with a Wall Street Journal information service to provide daily stock quotes and information on certain companies as well as to cull all articles daily related to beauty products. The service is free.

Mr. Marotte does not speak at all about stocks. When he requests industry intelligence about a competitor, his request goes through a Nestle department that handles documentation on economic trends and information interesting to Nestle in the press. The information is sent out on an inter-company computer network, or intranet.

These differences may seem negligible, but to computer industry insiders like Edward Jacobucci, chairman of Citrix Systems Inc., a U.S. software company that is experiencing strong growth in Europe, it reflects a distinct cultural tilt.

"In Europe," he said, "there is more acceptance by the end user at the ter-

minal that the computer is a tool, rather than the computer being a personal statement." He added, "The notion of liberating the end user to manipulate information on his own and equality for one and all is not very high on most Europeans' priority list. It seems to be an American phenomenon."

Mr. Jacobucci contends that the American attitude about personal computers has an inherent danger. "It supports a system of planned obsolescence," he said, comparing it to the auto industry in the 1950s and 1960s. "A new generation of PCs is introduced every 18 months and everyone clamors to replace the old one in order to be on the leading edge."

But if the European style of distributing data in a hierarchical fashion has prevented many European organizations from wholeheartedly embracing PCs, the reverse holds true in Japan.

Ben Bensaou, associate professor of information technology and management at Insead, the French management school, has studied the use of information technology in Japanese corporations, where mainframes and mini computers dominate and PC penetration is flat.

"If you measure the communication between a Japanese business unit and a Western unit," Mr. Bensaou said, "who gets the information would be different. In Japan, a lot of information is gathered by lower-level staff and shared and transmitted orally. A lot of information would be filtered by the staff before it reached senior managers."

This method better prepares Japanese companies for their cultural method of making corporate decisions. "Oral communication and its inherent high media richness," Mr. Bensaou said, "are better suited to resolve the ambiguity and equivocality involved in the critical process of building consensus, nurturing multiple internal coalitions and making deals."

In other words, data crunching takes a back seat to sound judgment and consensus.

In the end, predicted Mr. Bensaou, like most cultures, the Japanese will adopt the personal computer. "But they will want to adopt the technology without losing their soul."

SHARON REIER is a freelance journalist based in Europe.



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INFORMATION SOCIETY / A SPECIAL REPORT

By Internet or by Phone, Ways to Bank From Home Multiply

By Barbara Wall

MANCHESTER, England—When Sara James was offered a free home banking software program from her local bank here, she accepted the gift with some reluctance. Still, she signed on and has not set foot in a bank since.

With two small children to care for and a business to run I have better things to do with my time than stand in line at the bank every Friday afternoon," Mrs. James said. She uses the home banking program for simple transactions such as paying bills, moving money between accounts and downloading account statements. A process that used to take

two hours on a Friday afternoon, now takes 10 minutes on a Friday evening.

To bank on-line need a PC, modem link and a primary home banking software program or a personal finance software program, such as Quicken by Intuit or Microsoft's Money. Some banks supply software free of charge and levy a monthly fee of about \$6, but due to rising pressure from branchless banks the Internet many retail banks are dropping their fees.

The number of banks on the Internet has mushroomed in the past 12 months. Many have a site that provides details of a few products, but not much else. Borrowing money offers a full service, including bill payments, money transfer and a comprehensive

range of discounted savings products.

One attraction of banking on the Internet is that you avoid all the fancy graphics and other add-on financial planning tools that can make some home banking software programs seem complicated to use. Interest rates on savings products are generally more competitive than the rates offered by retail banks. This is because many of the Internet banks do not have branches to pay for and can pass on their savings to customers.

Atlanta Internet Bank pays a rate of 4 percent on its checking accounts provided clients maintain a minimum balance of \$100. The standard rate offered by U.S. retail banks is generally 1.5 percent to 2.5 percent. For a monthly fee of \$4.50, Atlanta customers can also

pay as many bills as they like on-line.

Security First Network Bank pays 2.5 percent on its checking accounts and provided clients maintain a balance of \$5,000, they can have access to an unlimited bill-paying facility.

As well as competing on rates, Internet banks are attempting to build on customer relationships by offering a number of nonbank-related services. "Rabobank in the Netherlands was the first European bank to set up as an Internet service provider. Instead of getting an Internet connection through traditional channels, customers can get the connection through the bank."

For those who do not have access to a

PC, there is always telephone banking. Most banks allow customers to conduct business by phone.

ING Direct, a subsidiary of ING Groep NV, operates from a call center in the suburbs of Toronto. There are no fees or service charges, and the interest rates are among the most competitive in Canada, according to bank analysts.

If you like the simplicity of banking by telephone, but would like to download account details on to a screen, screen phones are a relatively inexpensive alternative to PC banking. More than 80 banks in the United States offer customers this facility. A screen phone is a small computerized terminal linked to the telephone that allows users to key in account details, execute money transfers

and pay bills. The terminals cost about \$100, and banks generally charge a monthly on-line service fee of about \$5.

Screen phones have been popular in France and Germany for many years. The French Minitel and German T-Online systems are public access computerized information networks run by divisions of France Telecom and Deutsche Telecom.

Consumers use these systems as a source of information, for on-line banking and on-line shopping. Any purchases made on-line are added to the consumer's monthly telephone bill. The telecom companies charge a small monthly rental fee of about \$5 for the terminal.

BARBARA WALL is a journalist specializing in personal finance.

With Euro Almost Here, Companies Scramble to Get Ready on Time

By Tom Buurkle

LONDON—The imminent start of monetary union is proving to be a boon for Europe's IT industry, but it remains unclear just how many institutions will truly be ready when the euro arrives in just over nine months' time.

Banks, companies and other organizations will spend an estimated \$80 billion to prepare for the single currency. Roughly half that amount will be spent on computer services and information technology to modify everything from corporate accounting and billing systems to automated teller networks.

Banks and other financial institutions are understandably in the lead, given that their very survival will depend on their ability to handle transactions in euro from Jan. 1, 1999, at least for wholesale transactions. Spain's Banco Bilbao Vizcaya, for example, will complete a two-year, 12 billion-peseta (\$77.6-million) overhaul of its computer software, payment systems and automated teller network in June to ensure that its systems are fully tested and debugged by January, says Maria Alba, a member of the bank's euro team.

Corporations present a more mixed picture, with many taking advantage of the no compulsion rule regarding the three-year transition period to adapt their systems for the euro as their IT budgets and personnel permit. The most notable is International Business Machines Corp., which stunned many in the industry recently when it acknowledged it would put off some preparations until 2001 to devote its stretched IT resources to solving year 2000 problems.

Ironically the biggest wild card is government. The euro's advent may reflect the will of Europe's political leaders more than any economic logic, but it's unclear when government ministries will be ready to lead in euro.

Only six of the expected 11 euro countries have issued plans for their transition and many of them will not be ready by January. The delay is frustrating many business executives, who see the ability to report results and pay taxes in a single currency as one of the most tangible, cost-saving benefits of the euro.

"There's a tremendous lack of clarity from certain countries as to what they will accept," said Alex Ferguson, chief financial officer of Zambon Group, an Italian pharmaceutical company.

For most IT experts, the delays underscore the complexity of the transition and the odds that some organizations will encounter serious difficulties.

"The computer industry has a terrible record of performing on big jobs—they're always running late," said Robin Guenier, the head of Task Force 2000, a nonprofit body helping British companies grapple with the millennium bug. He has urged the British govern-

ment to seek a postponement of the euro's launch until after 2000, a call Mr. Guenier hopes will dramatize the situation even if it is rejected out of hand.

Colin Stringer, senior manager of euro transition services at Cap Gemini Societe Generale, warns that companies which delay euro preparations to concentrate on the millennium bug could be overwhelmed by the competition even before the year 2000 arrives. That's especially true in financial services, he said, predicting that "people will move very quickly to banks that are offering the best service."

Many big banks have opted for the most complete solutions, seeing the

euro as an opportunity both to upgrade their data-processing capability and to win new customers. Banco Bilbao Vizcaya will provide euro services beginning in January to anyone who wants them, including individual account holders, and will list the euro value of every transaction alongside its peseta value at least through 2002.

Other companies are looking for ways to take advantage of the changes and prevent their euro transition costs from being just a one-time tax. Zambon, which had sales of \$350 million in 1996, is spending \$1.6 million, or virtually its entire IT budget, on the euro and year

2000. The company regards euro preparations as a spur to rethinking and streamlining its supplier and distribution networks. "It gives us the opportunity for increased centralization," Mr. Ferguson said.

Siemens AG, the German electronics and engineering giant, sees the euro "as an opportunity to streamline its software and establish a foundation for the seamless transition to the year 2000," said Michael Sen, a member of the company's euro team. Siemens also expects to recoup its euro costs of more than 100 million Deutsche marks (\$55 million) in three years by reducing currency hedging and transactions costs and improving cash management through the consolidation of its myriad bank accounts across Europe.

Of course, one person's cost is another's gain, and computer programmers and software companies are reaping the benefits of all the euro activity. In London, demand from the financial services industry has driven up programmers' salaries by as much as 50 percent in the past year, and HSBC Holdings PLC has had to let some of its IT experts out to work or shift to a consultant basis to retain their services, bank executives say.

Hyperion Software Corp., a leading U.S.-based supplier of software for budgeting and business analysis, says the euro is boosting its sales in Europe. Companies are "looking to stretch the use of our software to see where they can get a competitive advantage" out of monetary union, said Matthew Goldsbrough, the company's European marketing director.

TOM BUURKLE is the International Herald Tribune's London correspondent.

Single Currency: A Computing Headache

By Andrew Ross Sorkin

LONDON—The arrival of the euro, Europe's single currency, on Jan. 1, 1999, could have serious consequences for the computer systems of financial institutions not just about any company that deals in foreign currencies and exchange rates.

Compared with the much publicized year 2000 problem, which can set computer clocks back to 1900 instead of recognizing 2000, the euro poses a greater number of technological problems, experts say.

"If it takes a coin flip it has anything to do with money at all," said Martha Bennett, vice president of Giga Information Group in London, "reality becomes very uncomfortable."

European money union, which

will set the value of the euro against the currencies of the participating countries, has stipulated that there will be a transition period from 1999 to 2003. During that time, financial institutions and other companies will have to be able to deal with two sets of currencies: the euro and the local money.

This is expected to be a headache because most software packages can handle only one currency at a time. Moreover, when converting money during the transition period, the arithmetic is different, and more complicated, than in simply converting one currency into another.

For example, if you converted a French franc into a German mark today, you would multiply the franc by another number to get a mark. But under Economic and Monetary Union rules, during the transition period you would have to

convert a franc into a euro, round the number, and then convert the euro into a mark and round again. This type of conversion is known as triangulation. Unfortunately, most computer systems were never designed to handle triangulation.

Another problem arises when computers have to deal with decimal places. For example, some currencies, like the Italian lira, have no decimal places, therefore making Italian-only systems obsolete. But the monetary union has said that all systems will have to be able to account for six significant decimal places, making most systems, which now account for two, out of date.

The rounding of numbers adds to the confusion. Some rounding occurs in every currency conversion, but a rounded number is inherently less accurate than the original. Some companies plan to convert decades of historical finan-

cial data into euros to chart past, current and future performance. "When you have a company convert their history, the numbers become almost meaningless because they will never be completely accurate," Ms. Bennett said.

Other problems include adding the euro "e" character to font sets, printer drivers and keyboards. Automated teller machines will have to be overhauled to include the character on their screens.

"The year 2000 is one singular problem, with one singular fix," said Nick Jones, research director of Garner Group Europe, a technology advisory and research firm. "The euro opens up so many problems. They are more than just technology issues. They are strategic business issues."

ANDREW ROSS SORKIN is on the staff of the New York Times.

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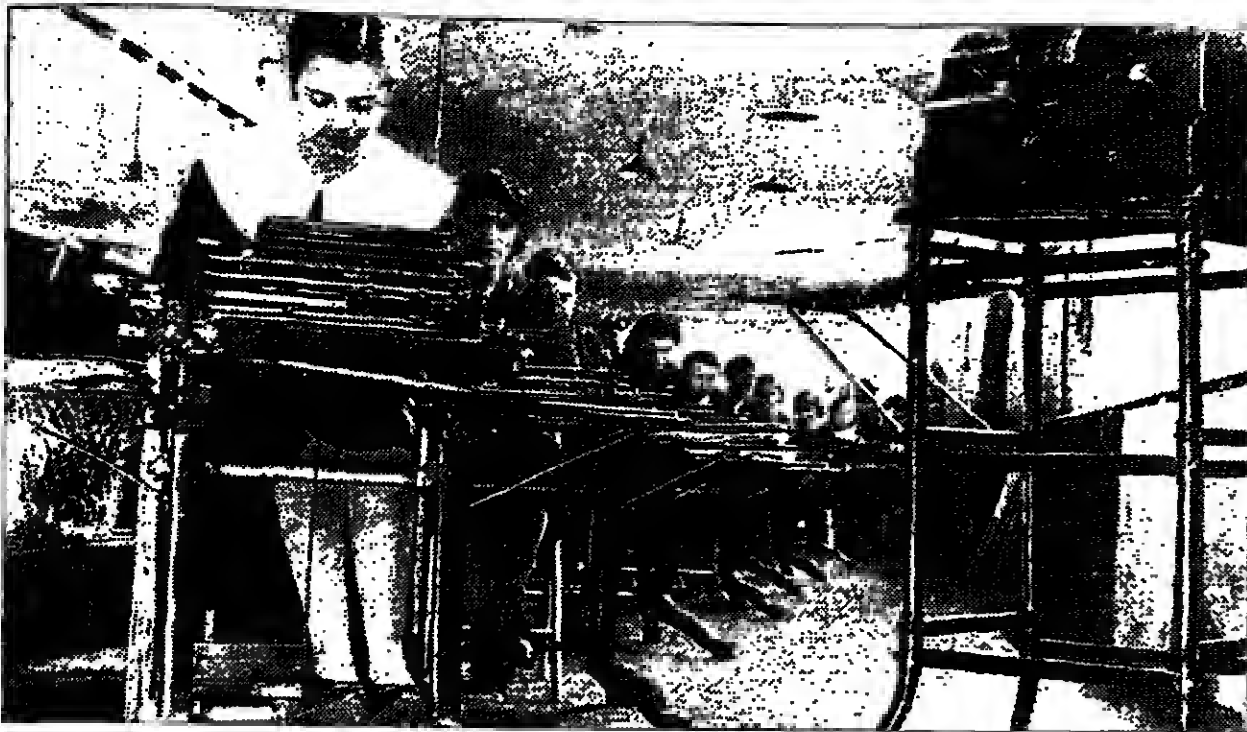
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INFORMATION SOCIETY / A SPECIAL REPORT

Computers Have Yet to Deliver the Big Payoff in Productivity



Computers have transformed the workplace, but their long-expected kick to productivity has yet to materialize. At left, a French accounting office in the mid-1930s; at right, Agence France-Presse's offices today in Paris.

By Erik Ipsen

NEW YORK — Several decades and hundreds of billions of dollars after it began, the information age still maintains its grip on the imaginations of consumers and businessmen alike, but in one critical area it has never caught fire. Its long-expected kick to productivity, the key to higher living standards and low inflation, remains just that — long expected and still elusive.

In the United States, for instance, in the early 1970s — the dawn of the computer age — productivity growth actually fell into a 20-year swoon. In recent years, productivity growth has stepped up again in a development seized upon as (belated) proof of the power of computers. Growing today at 2 percent per annum, though, productivity has merely regained its pace of the 1950s and 1960s, an era long before PCs started popping up on desk tops and factory floors, supposedly making us all so much more productive.

Economists apologize. Part of the

problem they explain is that productivity gains are notoriously hard to measure especially in the service sector that makes up the bulk of modern economies. "The main problem, though," said Chris Freeman, emeritus professor of science policy at Sussex University in England, "is that the gains have just not been that great."

Like many others, L.L. Bean, the Maine-based, Web-present, mail-order bonanza, has a surprisingly hard time pinning down the precise benefits of technology. Asked for examples of the gains reaped by its large multiyear investments in computers and state of the art phone systems, the company couldn't.

"I am surprised, but I just got blank stares from the people I spoke to here," said Catherine Hartnett, the company spokesperson. After years not of revolutionary change that suddenly drew them out of the dark ages, but of systems upgrades and of more incremental sorts of change, she confessed it is "difficult to say" how much has been gained.

In some cases nothing at all. A. Gary Shilling, head of the eponymous New Jersey-based economic consulting firm,

points to a study of the American life insurance industry in the 1980s. Then, as companies spent lavishly to put PCs on practically every desk, productivity actually fell.

Mr. Shilling complains that his firm had to make a significant investment in technology so that it could get important government economic reports as soon as they were released in Washington. "The problem is that it doesn't do us any good since everyone else made the same investment," he said.

It is a common tale. Shane Greenstein, a professor at Northwestern University's Kellogg School of Management, notes that today "many companies invest in technology just to keep up with their rivals not to increase their profits."

He cites as an example his father, an accountant who takes his portable PC to his clients' offices to do their accounts on the spot. Although his clients prefer this service, since other accountants do the same thing, no one can charge extra for the added convenience. In such cases, neither the company, nor the productivity statistics gain. "The benefits

frequently get transferred to the end users in terms of better quality products and services," said Mr. Greenstein.

Some experts insist that technology may at times actually retard productivity. Elisabeth Broeck-Rocha, chief European economist with S&P/DRI in Brussels, cites recent studies suggesting that office workers increasingly fritter away valuable time surfing the Net.

LIKE MANY other executives, she also muses disapprovingly on how PCs have taken much of the typing off the secretary's desk and piled it on the boss's. "We all do more secretarial tasks than we did before," she said.

For the true believers in the miracle of the micro chip, technology's minimal impact on productivity to date marks a disappointment but certainly not a defeat. They still predict that the computer revolution will have a bigger impact on productivity than even the Industrial Revolution. Unlike the steam engine, for instance, which a century after its invention had gained little in efficiency and lost little in bulk, they note that

today's computers are doubling in capacity and halving in price every couple of years. And their applications, from car navigation systems to heart monitors, are almost limitless.

John Llewellyn, chief global economist at Lehman Brothers in London, insists that the revolution needs more time. "What we are up against here is human not technological speed limits," he said, noting that new technologies require new ways of managing and new ways of working as well.

The most eager to adopt the new technology have been in the high-tech industry itself. There competition is keen and openness to new ideas high, and so, too, is productivity. Experts say that far bigger leaps in productivity lie ahead, when new technologies are adopted by larger and more complex organizations like big city hospitals. The problem is that the larger and more complex the organization, the more reluctant it is to endure the upheaval of putting a new computer system in place.

Although it may seem like computers have become central to the functioning of the economy, they have not. Personal

computers and the more powerful mini-computers account for only 3 percent of the value of the assets of America's industrial companies.

"I personally think that we are getting a big productivity bang for the bucks we have invested in computers," said Frank Lichtenberg, a professor at Columbia University Business School. "But it is not that many bucks."

Part of the problem is that those investments are constantly being gnawed away by obsolescence. It destroys the value of computer programs, systems and networks at a pace never dreamed of with the capital investments of a generation ago.

Exacerbating the problem are the sums spent simply on fixing mistakes. The industry's habit of recording years as two digits, not four, in millions of computer programs, the so-called year 2000 problem, will cost well over \$100 billion to fix. Earlier this month, Citibank put the tab to fix its own year 2000 problem at \$600 million.

ERIK IPSEN is a journalist based in New York.

Crisis Puts Squeeze on High-Tech Research at South Korean Center

By Don Kirk

TAEDOK SCIENCE TOWN, South Korea — At South Korea's information technology center here, the question these days is whether the government and industry can still come up with the funds needed to continue the drive launched 25 years ago to turn Korea into a high-tech powerhouse on a par with the West and Japan.

Taedok Science Town was established in 1973 during the rule of the late President Park Chung Hee who decreed that government, business and industry would work together to do what their international rivals were doing so profitably. While individual institutes and researchers might compete with one another, in the end they were to share what they learned for the sake of the nation.

There was no other way, the planners said, to match "rapid developments in science and technology and protection of technology by the developed nations."

There are currently 17 government facilities and 28 private research institutes at Taedok Science Town, on the northern fringes of the city of Taejeon about 150 kilometers (90 miles) south of



One of Taedok Science Town robots entertained bystanders at recent fair.

Seoul. But a question mark hangs over their future.

"We have a very difficult situation financially," acknowledged Kang Pil Koo, an official in the Korea Science and Engineering Foundation, the government-backed nonprofit organization that serves as a conduit between the the-

oretical research of academic scientists and their commercial exploitation by industry. He added that Korea's new president, Kim Dae Jung, "emphasizes small government and downsizing, but he also stresses science and technology."

At the Systems Engineering Research Institute, the new emphasis means the

budget for research and development, in Korean won, this year is about three quarters of what it was last year.

With the won worth about half as much in dollars now as it was a year ago, however, the institute's budget in dollar terms comes to less than \$30 million — a pittance for the kind of research it conducts in information processing, software engineering, information security and computer and system software.

The institute nearly lost funding when the new government's transition team at first tried to eliminate the Ministry of Information and Communication, which provides most of the institute's funds.

Shin Gyu Sang, head of the software engineering department of the institute's object-oriented development laboratory, said that eventually the new government realized its importance.

Mr. Shin acknowledged that Korea lags well behind the West in most areas of information technology. However, he cited two areas where he believed the institute has excelled.

"Color-imaging developed by this institute may be the best in the world," he said, adding that "this technology has just been transferred to a private company" and might be commercialized by the end of the year.

In addition, information-processing for translating English to Hangul, the Korean writing system, and Hangul to English is, he said, "the most advanced field" now under study at the institute.

Mr. Shin said that researchers have come up with a program that is able to translate 40 percent of a text. By the end of the year, he said, that rate will be 80 to 90 percent in specialized areas, such as simply written technical manuals or business letters.

Companies in the West have programs for translating Western languages, he added, but a Hangul-English program is difficult because "the structures of Korean and English are very different." The task represents a major step from the institute's success in developing a program for translating Hangul to Japanese, which has basically the same structure.

At the Korean Advanced Institute of Science and Technology, a university within Taedok Science Town, Cho Jung Wan, chief of the center for artificial intelligence research, said members of his team were working on "machine translation."

CURRENTLY, he said, the state of the art in machine translation was translating middle school texts into English. The next step was for the computer to be able to translate manuals from English into Hangul. Researchers at Mr. Cho's center are also working on speech recognition, handwritten character recognition and robotics.

Producing a program that is capable of functioning by the sound of a voice is a huge challenge. "Isolated word recognition is easy," Mr. Cho said, "but general continuous recognition is still 10 or 20 years away."

Nonetheless, he believes Korean researchers "are very competitive with Japan and the United States in quite a few areas." He cited handwritten character recognition as an example.

But researchers in such advanced fields are handicapped by time and money. Cash-strapped companies say they have no funds to invest in projects that may take many years to turn out

commercially viable results. "The research centers of the chaebol are working two or three years ahead of their business," Mr. Cho said. "We are looking a little further than that, maybe five or 10 years."

A year or so ago, before the current economic crisis, both government and industry agreed on the value of long-term research. "Now we are experiencing serious financial problems," Mr. Cho said. "Projects from industry and government sources are getting fewer. Some of the big chaebol don't want to continue their research here."

It was only about three years ago, said Mr. Shin, that the bureaucrats in Seoul began to wake up to the importance of long-range research on information technology. "National interest in the software industry was very low," he said. "They thought software couldn't follow advanced countries like the United States and Japan. We Koreans have been very weak in software technology, but now our policymakers acknowledge its importance."

After all, "without software other areas could not advance very well," Mr. Shin argued. "Most hardware relies on software technology." That is a lesson researchers here hope will not be forgotten as the country struggles through its financial crisis.

Already at most institutes here, the lights are out in most offices and corridors except when absolutely needed. "It is a new policy," said Mr. Cho, fumbling for a light switch as he showed a visitor around on an overcast day. "We have to save in every way we can."

DON KIRK is the International Herald Tribune's special correspondent in Seoul.

Multimedia Changes Speed Up

Continued from Page 11

instead of paying one of the former local monopolies to put the call through.

The completion of a single market by a single currency in 11 EU countries on Jan. 1, 1999, will mean that international calls will be increasingly seen as domestic ones.

At the start of this year, the countries that signed last year's World Trade Organization basic telecommunications agreement began progressively opening their markets to competitive entry and increased foreign investment. The 72 nations that have signed the agreement account for 93 percent of global telecommunications revenue, and three-quarters of all international telecommunications traffic now originates in countries which permit competition.

DEREGULATION and competition are radically changing the way telecommunications operators do business. Up to now, phone tariffs have been broadly based on the length of a call and the distance of the connection — or whatever the market would bear. Carriers were sovereign in their own countries, and established tariffs according to bilaterally negotiated settlement payments. The EU and WTO agreements signaled the end of that system and a move toward a multilateral payments structure.

Technology makes the price of conveying information derisory. A 42-page document sent from New York to Tokyo by fax costs around \$30, but a few cents via Internet over the same lines. International telephone calls, increasing at a rate of 15 percent a year, cost at least three times as much as



Motorola's StarTac 8600 VIP cell phone weighs only 3.1 ounces.

domestic calls over the same distance, yet the actual cost of providing the services may be the same.

Industry experts say technology and competition is certain to continue driving down prices, and telecommunications operators will rely for revenue on the value-added services they can provide rather than on the length and distance of communications.

Monopoly suppliers, increasingly confined to developing countries with abysmal levels of phone service, will find it increasingly difficult to maintain their pricing levels. The contrast between deregulated and monopolized markets is creating growing distortions, with monopoly suppliers benefiting largely from an estimated \$10 billion in payment imbalances. The United States alone paid \$5.4 billion more to foreign suppliers than it received in 1996, although part of this imbalance was due to the growth of credit-card and call-back services. It is seeking to put a cap on such payments.

The whole question of tariff struc-

tures is coming under revision this week at the ITU's World Telecommunications Policy Forum in Geneva. Next week, the ITU, a UN body and the world's oldest inter-governmental organization, will organize a conference in Valletta, Malta, to focus on ways to improve access to telecommunications in the developing world.

The ITU argues that what developing countries might lose by giving up their monopoly systems would eventually be more than compensated by the growth in traffic created by deregulation and competition.

In his Los Angeles speech, Mr. Tarjanne said the coming together of telecommunications, broadcasting and computers will have to reconcile three different points of view. The telecommunications industry envisages a multimedia network conveying data, video, voice and text. The computer industry sees a network that will facilitate high-speed data access and retrieval. The broadcasting industry foresees interactive television combining entertainment with home shopping and banking, business services and education.

Such great regulatory, technical and cultural challenges lie ahead that it would be futile to predict the exact shape of future networks.

But Mr. Tarjanne said the boundaries that previously divided industries, people and continents "are breaking down and breaking down fast. Advances in technology, globalization and demands for new, better and cheaper services are bringing about a convergence between previously separate industries and previously separate markets."

BARRY JAMES is on the staff of the International Herald Tribune.

Weighing Tactics in Info Warfare

Continued from Page 11

puter systems were breached by hackers in one month. But the U.S. officer, who handles the planning for dealing with such problems, said that "everything in our classified systems is redundant. All of it can be compartmentalized and run with another system if we feel one area has been compromised."

Speaking on condition that he not be identified, he said that, in contrast to some alarmist reports, the U.S. military does have detection technologies monitoring all hacking attacks on government computers. Their job is to determine when a pattern of break-ins means that more than just teenage mischief-makers; that, in fact, the United States is under strategic electronic attack.

What worries the U.S. high command, he said, are two things: the gap opening between the United States and its allies, and the gap between military and civil practice.

Now that the United States has gone on the offensive, it has not only refined its spy satellites — digitalization has become so miniaturized that a U.S. company is trying to develop a drone the size of a cigarette pack — but also succeeded in joining the big battle management

systems to communications gear light enough to be carried by a foot soldier.

The implications of these developments are momentous. A single infantryman is now able to elude enemy troops and direct his own fire to deadly effect and often from a safe distance.

Hackers also pose a threat to civil systems.

In other words, the stand-off warfare so visible in the Gulf War with precision-guided missiles will also become increasingly prevalent in ground wars.

But U.S. troops may soon find it impractical to cooperate on the battlefield with NATO allies. None of the European countries, analysts said, is going to be able to afford to develop the information technologies to a degree that will enable its troops to keep up with American troops.

The solution, the U.S. officer said, lies in the very cheapness of computing power these days. "It's going to be possible for us to share with our allies a lot of basic information for almost no cost, thus enabling them to operate with us in the battlefield even though on their

own they would never have the capability to see around them for hundreds of miles the way our forces will do."

A less soluble problem, however, goes back to the threat of hackers. "What worries me are all the civil systems that we depend on in emergencies such as wartime brings, or even just to keep our system going," the admiral said.

Another military specialist elaborated: "Suppose you get a virus put into a system, the kind we call a logic bomb, that makes the codes at a certain point start wrapping around each other so that traffic lights and other utilities stop working in a city where you're trying to land forces?"

A third officer cited the dramatic freeze in civil air traffic for several hours last summer on the day when air traffic control systems went down.

Last autumn a presidential commission, set up to study how to safeguard U.S. electronic infrastructure, reported that the country is dangerously ill-prepared to defend itself against electronic war. It urged greater cooperation between experts in the public and private sectors to help identify patterns in hacker attacks, and greater spending on protection.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible]

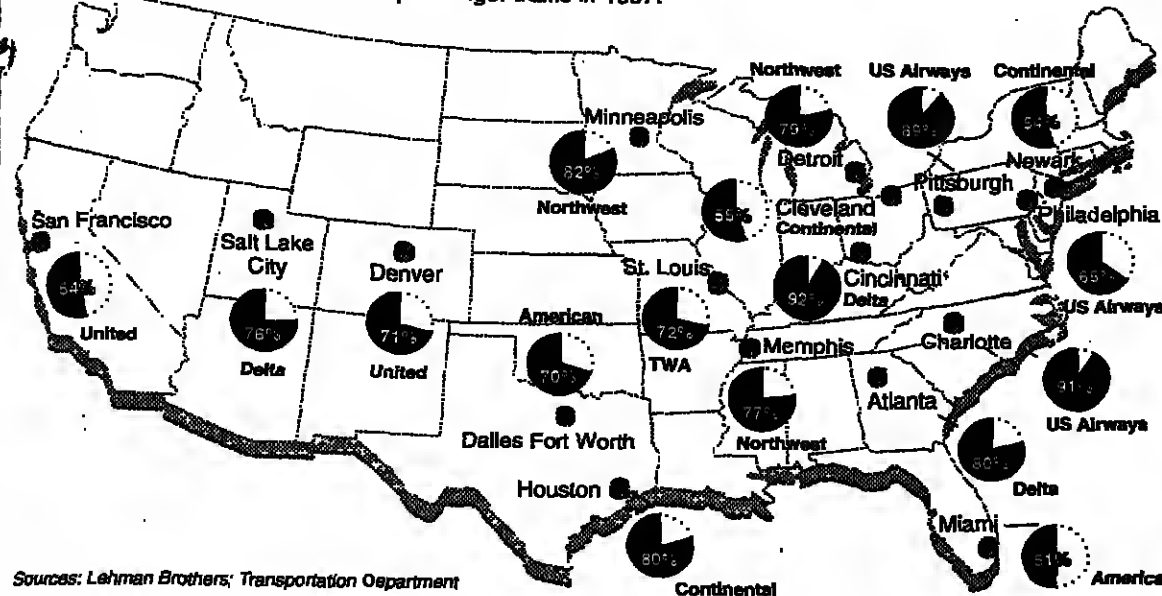
11, rue de la Corraterie - 1204 Geneva - Switzerland

60-day 1.6670 90-day 1.6670

Continued on Page 20

This Airport Isn't Big Enough...

Major airports in the continental United States where one carrier had 50 percent or more of the scheduled passenger traffic in 1997.

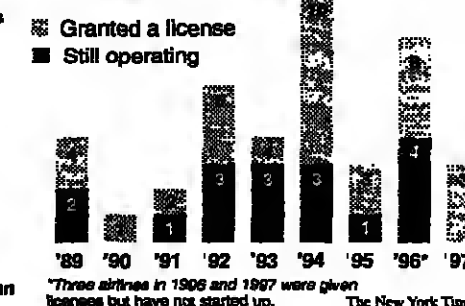


Sources: Lehman Brothers; Transportation Department

MAJOR AIRLINES and some markets they control

Airports	Share of scheduled seats (1997)
American	Chicago O'Hare 38.5%
	Dallas Fort Worth 70.3
	Miami Int'l 50.7
Delta	Atlanta Hartsfield 79.7
	Cincinnati-N. Kentucky 91.5
	Salt Lake City 75.5
United	Chicago O'Hare 47.1
	Denver Int'l 70.7
	San Francisco Int'l 54.0

NEW PASSENGER AIRLINES



*Three airlines in 1996 and 1997 were given licenses but have not started up.

U.S. Senate Panel Backs IMF Funding

But It Wants Changes in Conditions of Loans

By Eric Schmitt
New York Times Service

WASHINGTON — A Senate panel has approved \$18 billion in financing for the International Monetary Fund, but only if the Fund formally votes to make major changes in the way it lends money to nations in distress.

The Treasury secretary, Robert Rubin, as well as several Republicans and Democrats, immediately voiced strong opposition to the changes in the emergency spending bill, which was approved 26-2 by the Senate Appropriations Committee on Tuesday.

"We are in agreement with many of those objectives as policies that the United States should vigorously promote at the IMF," Mr. Rubin said in a letter to Senator Ted Stevens, Republican of Alaska, chairman of the committee. But Mr. Rubin said many of the steps needed to achieve the objectives "are extremely impractical, to the point of being genuinely unworkable."

The financing for the IMF, one of President Bill Clinton's top foreign-policy priorities, also faces a problem in the House, which has held up its version of the bill until the White House agrees to an anti-abortion provision that Mr. Clinton opposes.

The chances for Senate passage of the

bill are uncertain, but some Senators said a compromise was possible.

The committee bill approves \$3.5 billion in new borrowing authority and an additional \$14.5 billion in the IMF's capital base. The procedural requirements apply only to the \$14.5 billion.

Under the bill, the Treasury secretary would have to certify that the Fund's board had passed resolutions requiring borrowers to fulfill their international trade obligations, to avoid discrimination between domestic and foreign creditors and to end preferential lending and subsidies to favored enterprises.

Administration officials had said they could accept the substance of the conditions but that Washington could not compel the 182-nation IMF to pass specific resolutions.

Under a veto threat from Mr. Clinton, the committee dropped a provision that would have prohibited the Federal Communications Commission from spending money to enforce free air time for political candidates.

The committee's vote drew criticism from several Republicans on the Foreign Relations Committee. Senators Chuck Hagel of Nebraska, Rod Grams of Minnesota and Pat Roberts of Kansas said that the procedural requirements could jeopardize the badly needed financing for the IMF.

Big Airlines Buffeted by Antitrust Turbulence

By Laurence Zuckerman
New York Times Service

NEW YORK — Twenty years after Washington deregulated the U.S. airline industry, there is a growing debate over whether the major carriers are unfairly reining in their smaller rivals, curbing their growth and even blocking their access to new markets.

More is at stake than simply the number of carriers flying out of a particular airport — ticket prices tend to drop when competition increases and rise when it narrows.

The Justice Department has started an antitrust investigation of the biggest airlines and the Transportation Department

is on the verge of issuing guidelines that would define for the first time when the government might take action against a carrier for competing unfairly.

In addition, five bills have been introduced in Congress that aim to blunt the dominance of the big carriers and promote competition.

As a result, the lines are quickly being drawn for a bitter battle that pits the airlines against a loose contingent of travel agents, consumer activists, business groups, local communities and the Clinton administration. Both sides claim to be the true champions of deregulation, which everyone agrees has brought affordable air travel to millions of first-time passengers.

The big airlines claim their detractors are trying to turn back the clock and "re-regulate" the industry. AMR Corp.'s American Airlines Inc. and UAL Corp.'s United Airlines Inc. recently formed the Airline Competition Committee to celebrate the 20th anniversary of deregulation and "educate" the public about its benefits.

Along with Northwest Airlines Inc. and Delta Air Lines Inc., American and United gave \$1.1 million last year in federal campaign contributions, accounting for 72 percent of all airline-industry donations, according to a study by the Center for Responsive Politics.

Critics say deregulation has been exploited by the major air carriers to fend

off new competitors, and that political contributions represent an effort to remove regulation's last vestiges. Such critics are clearly eager for the government to take a stronger hand in helping new low-cost airlines.

"Our goal is to expand deregulation to meet the original intent of the Congress," said Ivan Michael Schaeffer, president of Woodside Travel Trust, a consortium of 132 travel agencies that cater mostly to businesses. "No one in 1978 believed that deregulation would lead to more concentration of the industry."

What corporate travel agents, businesses and many communities are most concerned about are the so-called fortress hubs at key airports around the United States that are dominated by the large carriers.

In addition to United's pre-eminence in Denver, it and American control 84 percent of the available seats in Chicago. Northwest Airlines has 79 percent of the capacity in Detroit and 82 percent in Minneapolis. Delta flies 80 percent of the seats out of Atlanta.

As the carriers have tightened their grip on major airports, the prices for walk-on fares, which are mostly purchased by business travelers, have

See AIRLINES, Page 21

WALL STREET WATCH

A Wall Street Bull Stays the Course

By Sharon Walsh
Washington Post Service

NEW YORK — Nobody can predict what the stock market will do, but don't tell that to the market oracle Abby Joseph Cohen or those investors who hang on her every word.

Ms. Cohen, co-head of Goldman, Sachs & Co.'s investment policy committee and Wall Street's current prognosticating powerhouse, predicts that the bull will keep on running.

Low inflation and a strong U.S. economy will continue to fuel a soaring stock market, she said Tuesday, noting that she expected the Dow Jones industrial average — which was up 13.45 points, at 8,763.44, in late trading Wednesday — to climb to 9,300 by the end of the year. That would be a 17 percent rise.

The Nasdaq composite index should reach 1,900, and the Standard & Poor's

500-stock index should hit 1,150, she said in a report to Goldman Sachs clients. The Nasdaq was up 4.51 points at 1,783.81, 3.24 points, in late trading Wednesday and the S&P 500 was up 3.24 points, at 1,083.69.

"We see no recession on the horizon, and can envision strong U.S. performance in the global economy," Ms. Cohen wrote. "Inflation is unlikely to rise quickly or soon." She added, "Companies continue to report ongoing gains in productivity."

Not every analyst and strategist on Wall Street agrees, although many admit grudging respect for one who has been so right for so long. Ms. Cohen's coherent and consistent arguments about how the economy is strong enough to withstand successive blows has earned her a loyal following.

Still, there is a murmur of incredulity from those who believe the market is overvalued. "Is this really realistic op-

timism about the future?" asked Charles Hill, research director at First Call Corp. in Boston. "We think it will be a very difficult year for earnings growth."

"Abby Cohen has been dead on in this market," said David Jones, chief economist at Anbrey G. Lanston & Co., a New York securities firm. "But I keep envisioning that movie of people climbing Mount Everest. As they get higher, the air gets thinner and thinner. We are in a rarefied atmosphere in this market — and it's getting less and less oxygen."

Hugh Johnson, chief investment officer at First Albany Corp., said he was worried the market had turned speculative, with people borrowing money to buy overvalued shares, but he said it did not pay to disagree with Ms. Cohen, who had been right for so long.

"The trend in stocks has been up and signals for a bear market don't exist," he said. "I say this with my fingers crossed."

Ladies' Investing Recipe Emerges Half-Baked

By Cindy Skrzycki
Washington Post Service

WASHINGTON — Tsk. Tsk. The Ladies made a mistake.

The Beardstown Ladies, who have published five books about their investment prowess, now say they did their sums wrong and have apologized to investors, many of whom have tried to emulate their astute stock picking.

The astronomical returns of which the Ladies boasted are off by about 14.3 percentage points. The rate that the gray-haired ladies — whose average age is 70 — bragged about was a whopping 23.4 percent return on investment. It seems the returns are closer to a very modest 9.1 percent.

The Ladies did earn 23.4 percent from 1991 to 1992. But their books claim that figure as the average annual return from 1984 to 1993. The cor-

rected 9.1 percent return over that period pales by comparison with the 15.7 percent average annual return on the Dow Jones industrial average.

It is not clear how the error will affect book sales or the popularity of the Ladies, who dispense recipes for dishes such as Ann's Sour Cream Noodle Bake along with common-sense Midwestern advice about saving and investing. Two Ladies reached Tuesday for comment would not speculate.

The 14 members of the Beardstown Business and Professional Women's Investment Club in Beardstown, Illinois, have become celebrities. They have been guests on national television shows, traveled the lecture circuit and hit the best-seller list.

Chicago Magazine blew the Ladies' claims apart in a lengthy story published this month. The magazine came across an innocent-looking disclaimer

in the 1995 edition of "The Beardstown Ladies' Common-Sense Investment Guide" that said the club included the monthly dues that members pay into the fund in calculating its rate of return. Mutual funds, by comparison, consider stock appreciation, and never new contributions, in their rates of return.

Hyperion, a unit of Walt Disney Co. that publishes the Ladies' books, was concerned enough about the discrepancy to hire the accounting firm Price Waterhouse LLP to straighten out the Ladies' ledgers.

The Ladies also hired their own accountant and now disavow their disclaimer about the dues. Betty Sinnock, their treasurer said Tuesday that Price Waterhouse "clarified that we did not include dues when determining investment gains for any period."

So what did happen? The Ladies blame a "computer input" error.

CURRENCY & INTEREST RATES

March 18									
Cross Rates									
	£	¥	DM	FF	Lin	DK	S.F.	S.	P.
American	2.28	136	1.93	16.6	6.56	1.36	1.93	1.28	1.28
British	1.00	166	1.49	12.5	2.86	0.60	1.49	0.57	0.57
French	1.66	248	1.00	6.55	4.83	0.65	1.00	0.65	0.65
German	0.63	93	0.67	1.93	0.15	0.72	0.67	0.15	0.15
Italian	1.93	293	1.93	100.0	1.93	1.93	1.93	1.93	1.93
Japanese	136	1.00	5.48	3.76	0.07	0.01	5.48	0.07	0.01
Swiss	1.28	193	0.65	1.93	0.15	0.72	1.28	0.15	0.72
Spanish	166	166	1.66	166	1.66	1.66	1.66	1.66	1.66
U.S. dollar	0.45	72	0.50	3.30	0.15	0.24	0.45	0.15	0.24
U.S. yen	136	1.00	5.48	3.76	0.07	0.01	136	0.07	0.01
U.S. DM	0.63	93	0.67	1.93	0.15	0.72	0.63	0.15	0.72
U.S. FF	1.66	248	1.00	6.55	4.83	0.65	1.66	0.65	0.65
U.S. Lin	6.56	656	6.56	100.0	1.93	1.93	6.56	1.93	1.93
U.S. DK	1.36	136	0.65	1.93	0.15	0.72	1.36	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0.72
U.S. S.F.	1.93	193	1.93	100.0	1.93	1.93	1.93	1.93	1.93
U.S. S.	0.15	15	0.15	1.93	0.15	0.72	0.15	0.15	0.72
U.S. P.	0.72	72	0.72	1.93	0.15	0.72	0.72	0.15	0

EU Unveils Aid Plan For Eastern Members

Richer States Oppose New Contributions

Compiled by Our Staff From Dispatches

BRUSSELS — The president of the European Commission, Jacques Santer, on Wednesday unveiled a plan for redistribution of European Union development funds to accommodate the poorer former Communist states that are expected to join the bloc after the year 2000.

The plan, which must be approved by the 15 EU governments, angered countries like Germany, the Netherlands and Austria, which say they pay too much into the EU budget and want national contributions to be reassessed.

The so-called structural funds were created in 1988, aimed at ironing out major discrepancies in living standards in different parts of the EU. More than two-thirds of the money goes to underdeveloped regions for major projects such as road building, industrial conversions, business support and waste treatment.

The plan envisions contributions to Poland, Hungary, Estonia, Slovenia and the Czech Republic. In addition, three countries that are expected to be part of the European Union's single currency from the start of next year should continue to receive generous EU structural aid, the commission said. The three are Spain, Portugal and Ireland.

Several regions that now benefit, such as Corsica and Spain's Valencia region, are destined to lose all or part of their grants because they have made major economic improvements.

The commission also targeted the EU's Common Agricultural

Policy and its regional development funds, which together absorb three-quarters of its \$5 billion ECU (\$92.6 billion) annual budget.

It proposed significant cuts in EU subsidies for cereals, beef and dairy products.

Mr. Santer and Regional Affairs Commissioner Monika Wulf-Mathies forecast that it would be possible to provide regional aid of 275 billion ECU between 2000 and 2006 without raising national contributions to the budget above the current maximum of 1.27 percent of gross national product.

Finance Minister Theo Waigel of Germany said the plan was unrealistic. "The EU made no mention of balancing out payments and if you ask me, they're sticking their head in the sand and this can't continue," he told Bloomberg News in Kalmar, Sweden.

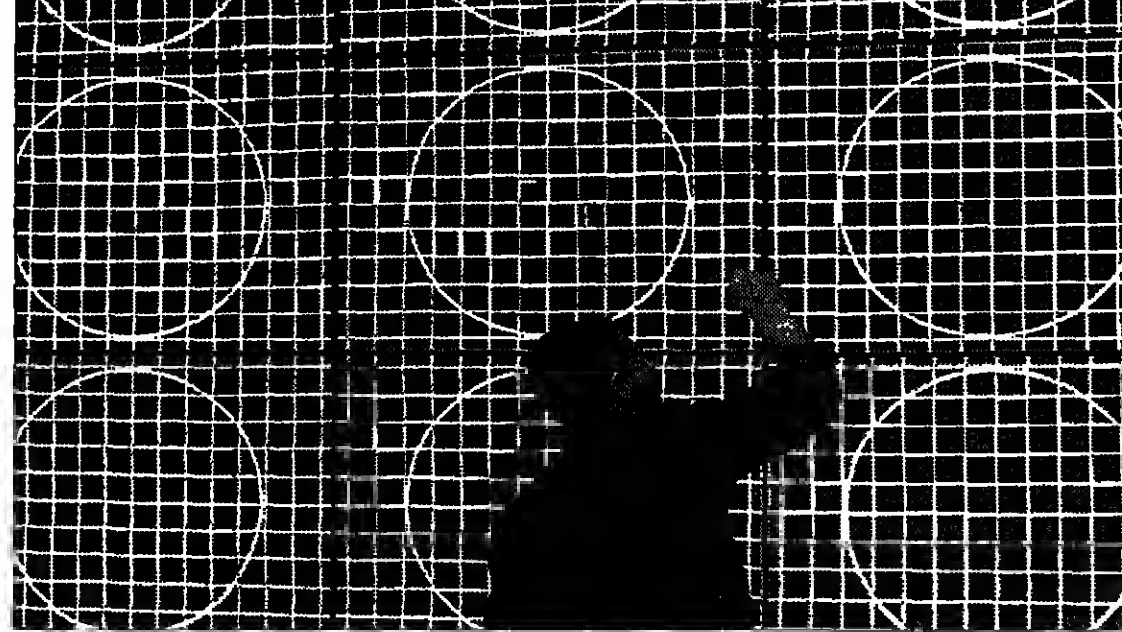
Mr. Santer said he hoped to have agreement on the plan by spring and intended to hold the member states to their agreement.

(Reuters, Bloomberg)

Credit Ratings to Rise

Six countries likely to participate in European monetary union are set to get their credit grades raised to the top-notch Aaa by Moody's Investors Service, the agency said Wednesday. Reuters reported from London.

The agency placed on review for possible upgrade the country ceilings for foreign currency bonds and deposits of Belgium, Finland, Ireland, Italy, Portugal and Spain, which it currently rates below Aaa.



FINAL TOUCHES — Ben Voisey, technical director of a Welsh audiovisual company, cleaning a test screen at the Cebit computer fair in Hannover, which is opening to the public Thursday.

Belgium Unloads Half Its Gold Reserves

Compiled by Our Staff From Dispatches

BRUSSELS — The Belgian central bank said Wednesday that it had sold half of its gold reserves, sending the metal's price sharply lower amid concern there would be a torrent of sales by European central banks as they adopt a common currency.

Gold fell \$3.40, to \$290.40 in London, after Belgium announced it had sold 9.6 million ounces that it said it would not need when its franc is absorbed by the euro next year.

"There's a knee-jerk reaction when a central bank sells gold because people ask, 'If Belgium doesn't want gold, why should I hold on to it?'" said Leonard Kaplan, chief bullion trader at LFG Bullion Services in Chicago.

The governor of the Belgian central bank, Fons Verplaetse, said the bank had no plans to sell any of its remaining stock of 300 metric tons of gold.

Belgium is the third central bank, after Australia and Argentina, to announce a major sale since July.

With inflation under control in the United States and Europe, central banks do not see gold as an asset needed to guarantee paper money, and the metal does not offer returns to match other investments.

Each announcement has pushed gold down, and the metal is about 20

percent lower than it was at the end of 1996 and just above an 18-year low.

For the gold market, central bank sales are "like water torture treatment," said Graham French of M&G Investment Management in London.

Mr. Verplaetse said the sale would have no influence on Belgium's budget deficit.

Belgium received about \$310 an ounce for the gold, according to analysts' calculations. The sale yielded 110.24 billion Belgian francs (\$2.93 billion) of unspecified foreign currencies, the central bank said. (Bloomberg, AFP, AP)

Thomson to Sell Travel Unit

Bloomberg News

LONDON — Thomson Corp. said Wednesday it would sell Thomson Travel Group PLC to investors for as much as £1.5 billion (\$2.5 billion) as it focuses more closely on publishing.

Thomson Travel accounts for 27 percent of all vacations sold through British travel agents, making it the market leader.

Thomson, which is based in Toronto, said purchasers of the travel group's shares, to be sold

on the London Stock Exchange in May, would be offered "incentives" that analysts said might include discounts on vacations.

A pricing prospectus will be issued in April. Analysts estimated the company was worth between £1.3 billion and £1.5 billion.

Thomson Travel said 1997 operating profit rose 32 percent, to \$137 million. Thomson Corp., which reports its earnings in U.S. dollars, said net income in 1997 rose 30 percent, to \$536 million.

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
5000	6000	3500	
4000	5000	2500	
3000	4000	1500	
2000	3000	500	
1000	2000	0	
0	1000	0	
1997	1998	1997	1998
Exchange	Index	Index	Index
Amsterdam AEX	1,105.45	1,113.38	-1.24
Brussels BEL 20	2,910.21	2,914.01	-0.13
Frankfurt DAX	4,919.72	4,946.88	-0.55
Copenhagen Stock Market	731.05	731.15	-0.01
Helsinki HEX Generali	4,295.24	4,359.65	-1.48
Oslo OBX	724.56	725.67	-0.18
London FTSE 100	5,908.60	5,934.90	-0.45
Madrid Stock Exchange	827.06	828.39	-0.16
Milano MIBTEL	22246	22218	-0.14
Paris CAC 40	3,882.52	3,861.68	-0.25
Stockholm SMI	3,997.45	3,914.62	-0.44
Vienna ATX	1,408.53	1,414.78	-0.37
Zurich SPI	4,272.52	4,257.94	-0.27

Very briefly:

- Italy will join, as an observer, the four-nation committee that oversees Airbus Industrie as a step toward becoming a full member in the airplane consortium.
- Italy's industrial output rose a greater-than-expected 1 percent in January from the previous month, lifted by the mineral processing industry and motor-vehicle production.
- Pearson PLC said it would end its television joint venture with British Broadcasting Corp. as the state-owned broadcaster prepared to sign an agreement to work with Discovery Communications Inc. in international markets.
- Microsoft Corp. and British Telecommunications PLC said they would start testing an Internet TV service in a deal that heralded the first move by the world's largest software company into Europe's television market.
- France Telecom SA said it posted a record profit of 6 billion francs (\$982 million) in the second half of 1997, helped by lower debt-financing costs and a decline in charges related to its initial public offering in October.
- France's stock-market regulator, the Commission des Opérations de Bourse, urged companies to report in their 1998 annual reports how they were tackling information-systems problems related to the year 2000.
- Spain's second fixed-line telecommunications operator, Retevisión SA, said it had completed the acquisition of two Spanish Internet providers, Servicom and Redes TB.
- Dutch unemployment rose to 4.9 percent in the quarter ended Feb. 28, up from 4.8 percent in the previous quarter, but the robust economy is currently creating jobs at a near-record pace, the government said.
- Carlsberg A/S, the Danish brewer, said it planned to dismiss 450 workers in Denmark as part of a cost-cutting plan.
- Kingfisher PLC said its pretax profit before exceptional items rose 29 percent to \$505.5 million (\$844 million) in the financial year ended Jan. 31. (Bloomberg, Reuters)

Privatized British Rail Is No Better, Panel Says

Bloomberg News

LONDON — British rail companies that were sold to investors in 1996 have not performed better than their state-owned predecessor, British Rail, a cross-party committee of legislators said Wednesday.

The House of Commons Transport Committee called for a strengthened regulatory system following complaints from passengers

that trains continued to run late or were canceled, while the rail companies' owners made large profits.

Britain's largely subsidized rail network was broken up into dozens of regional companies and sold by the former Conservative government, mostly to local managers or existing transportation companies.

"In spite of the large sums spent on the administrative costs of pri-

vatzation and on operating subsidy in recent years, it's clear that the privatized passenger railway hasn't yet performed significantly better than British Rail," the panel said.

The Labour Party, which tried to block the rail sell-off when it was in opposition, has said it will not attempt to bring railroad companies back into national ownership, but it is considering tougher regulation.

WORLD STOCK MARKETS

Wednesday, March 18

Prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam AEX index: 1115.45

Prev.: 1115.45

ABN-AMRO 47.40 47.50 47.60 47.70

Alcoa 23.50 23.60 23.70 23.80

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Wednesday's 3 P.M.

Associated Press.

ABN-AM

By Thomas C. [illegible]

BANGKOK — The Dutch
leading giant ABN-AMRO Bank
is buying into Asia's troubled com-
panies, said Wednesday that
would purchase Thailand's 110-
largest commercial bank, the Bank
of Asia, on a buy-now, set-the-
later plan.

In Seoul, meanwhile, BASF AG said it would give \$600 million for the industrial group Daesung Group, the largest sale by a South Korean conglomerate since Asia's economic crisis began in July.

The two deals were a fresh sign that the Asian stock market's pessimism may have begun to ease.

They follow a recent slew of big take-over announcements by investors including Prince Walid bin Talal of Jordan, the financier George Soros and Michael Jackson.

BY AMRO said he had agreed to buy a majority stake in the Bank of Asia but it would adjust the offer after agreeing to the value of

Basically the deal is a case of
"by now and pay now", but adjust
service later when conditions are
more normal," says Ton de Boer,
a spokesman for ABN-AMRO.

Hyundai U

2001 — The automaking sub-
group of the South Korean com-
pany Hyundai Group reported
today that its net profit shrank
15% during foreign-exchange
and market problems.

Hyundai Motor Co.'s profit
dropped by 4.4 percent to 46.5
billion won (\$37.4 million), which
included a contribution to a sal-
edomestic market.

Hyundai's subsidiary, Hy-
undai Electronics Industries Co.,
lost its net of 183.5 billion
won (\$149.6 million) in 1999.
In 1998, the company
reported a net profit of 21.8

Motor shares finished 1000 won at 23,400, and Hy-
Electronics shares fell 400 won.

Mr. Mohr said the firm had a pessimistic prediction on profits for 1987, but that the company had 11.7 trillion won in revenue in 1986, against 11.5

in 1969, but it resorted to no-
sales promotions for the do-
mestic market, cutting into profit.
If domestic sales were
to fall and exports were favor-
able in the weak won, ex-
ports for non-interest install-
ment sales damaged U.S. a company

NYSE

Wednesday's 3 P.M.

continued)

NYSE

Wednesday's 3 P.M.

(Continued)

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SPONSORED SECTION

THURSDAY

WEDNESDAY

TUESDAY

MONDAY

SPONSORED SECTION

FRIDAY

SATURDAY

International Education in Germany & Austria

Business Education in the U.S.

Business Education in France

COMING TO THE UK, AND GOING ABROAD

Business students have many opportunities to study elsewhere via linkups with foreign schools.

Business education in Britain is evolving rapidly, reflecting a more outward-looking approach that combines innovation with an international focus. Joint programs are now being offered with institutions in Europe, the United States and Asia. Degree courses, including the Master of Business Administration, are more flexible, allowing for the accommodation of a wider range of students.

The Graduate School of International Business at the University of Bristol offers an MBA in International Business along with a post-graduate diploma and post-graduate certificate in the same field.

The teaching faculty is drawn from both top-ranking universities and the business community around the world, while participants have the opportunity to spend some time studying at the Graduate School of International Business at the Ecole

Nationale des Ponts et Chaussées in Paris.

Other partnerships have been established with the University of California in Berkeley, the University of Katowice in Poland, the University of Ljubljana in Slovenia and the University of Hong Kong. Language tuition is included in the MBA for students who are not already multilingual.

Developing network Working with international management consultants KPMG, Bristol is currently offering a program aimed at developing the firm's talent in client companies to create an international network of contacts.

Among the 93 business-people from 21 countries studying in Bristol, 25 of them are from KPMG client companies. "The word about this MBA is getting around, and we wanted to make this opportunity available to our clients, too," explains Philip Kirkby, KPMG's European

Resources Partner in Brussels.

"It is very hard work," says one student, Jozsef Huli, a financial manager for Pepsi Cola in Budapest. "We work together, we suffer together, and we learn skills we couldn't learn at home."

Henley Management College offers a Doctor of Business Administration (DBA) in conjunction with Brunel University. It aims to train individuals specializing in research, teaching and consultancy, and the program in Britain attracts high-caliber candidates from around the world.

Its international program is operated jointly with the Groupe Ecole Supérieure de Commerce de Grenoble and the Singapore Institute of Management, which provides facilities, workshops and academic support. The use of electronic management also enhances the opportunities for networking.

A special series of lectures, called "Henley Ladder to Success" has also been launched in China, where the college currently has nine distance-learning MBA students, six of them in Shanghai and the other three in southern China.

Students at the British campus also have the opportunity to spend time in Shanghai, where they are introduced to the Chinese business environment and gain practical insights into the diversity of the country's regions.

For those unable to pursue a full- or part-time degree program, such courses combine access to the latest thinking by some of the world's leading professors and lecturers with the opportunity to form new contacts and networks with a wide variety of fellow participants from around the world.



can simply choose from a number of other modules in order to complete the number required. "It means that the student's progress is not hindered by short-term demands or unforeseen changes in circumstances," Ms. Brook says.

For students seeking summer courses in business and management studies, the London School of Economics (LSE) is offering two sessions focusing on globalization and financial operations. The first, which runs from the end of June until mid-July, includes courses on "The New Europe in the World Economy," "The New World Trade Order" and "The Politics of Global Finance."

The second session, which runs from mid-July until the first week of August, covers topics such as "The Political Environment for Global Business," "The Design and Management of Organizations" and "International Business Strategy."

For those unable to pursue a full- or part-time degree program, such courses combine access to the latest thinking by some of the world's leading professors and lecturers with the opportunity to form new contacts and networks with a wide variety of fellow participants from around the world.

The Open University, which pioneered distance

learning in Britain through televised courses, is also offering an MBA at its Business School. The program is aimed at busy managers who learn through multimedia materials, informal study groups and residential schools with the help of more than 750 qualified tutors. On average, more than 20,000 managers enroll in the school's courses each year, officials report.

Entrepreneurial studies The London Business School (LBS), which offers an MBA, MSc and a PhD, has adopted the theme "Breaking the Mould: Entrepreneurship and Innovation" this year. It is part of the School's focus on promoting its role in a "new" Britain, which is forward looking and which aims to play a greater role in Europe. "We would like to be seen as a cutting edge institution that innovates," says Pippa Goodman, public relations manager.

The School's Foundation for Entrepreneurial Management was established in 1996 and seeks to create conditions conducive to the start-up of new businesses, while promoting entrepreneurial culture in general, both in the UK and in Europe. More than 500 course places were offered and filled in the academic year 1996-97.

On average, 70 per cent of students for LBS programs come from outside Britain, mainly Europe, North America and Asia. Altogether, there are more than 11,000 alumni in some 100 countries, many of whom hold leading positions in the world's business community.

Pamela Ann Smith

EDUCATING WORLD CITIZENS

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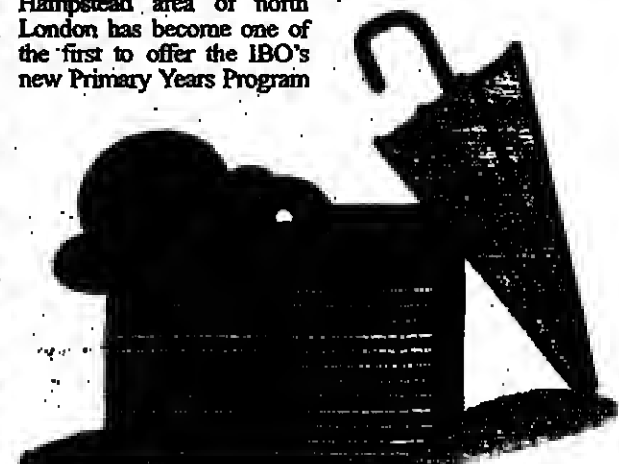
More than 30 schools and colleges in Britain now offer the International Baccalaureate, which is administered by a chartered foundation, the International Baccalaureate Organization (IBO), based in Geneva. Founded in the 1960s, the IBO grew out of international efforts to establish a common curriculum and university entry credential for geographically mobile students. Today, its members include educational institutions in almost 100 countries.

In Britain, Southbank International School in the Hampstead area of north London has become one of the first to offer the IBO's new Primary Years Program

experience of the real world."

Marymount aims to "teach girls how to learn on their own," adds Ms. Chamberlain, thereby enabling them to be self-motivated throughout their lives. "This is the real core of the courses," she says, adding that "it's changed the way I teach."

Other participating schools in Britain, such as Swansea College in Wales, Maidstone Grammar School in Kent, Malvern College in Worcestershire and Ullswater Community College in Cumbria, offer the IBO's Di-



ploma Program for students in the final two years of secondary school and/or the middle years.

Grants from the Ford Foundation, the Twentieth Century Fund and others have helped the IBO to develop a balanced, advanced curriculum that embraces institutions operating within a variety of national systems. The IBO also assesses the courses offered by its participating institutions and provides teacher training and information seminars, electronic networking and other educational services, as well as fostering program development.

IB schools also pride themselves on combining intellectual rigor and high academic standards with a strong emphasis on teaching their students the ideals of international understanding and responsible citizenship. The desired aim is to create a student who is a critical and compassionate thinker and an informed participant in local and world affairs.

As IBO officials in Geneva explain, the IB student is one "who values the shared humanity that binds all people together while respecting the variety of cultures and attitudes that makes for the richness of life."

P.A.S.

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سكول امريكي

SPORTS

Bulls Win Despite Punchless Reserves

The Associated Press
Who needs reserves when you have Michael Jordan?

The Chicago Bulls didn't get a single point, rebound or assist from a backup player on Tuesday night, but it didn't matter. Jordan scored 35 points, made a big steal with 29 seconds left and hit two

clinging free throws as the Bulls beat the Pacers in Indiana, 90-84, in a showdown between Eastern powers.

The five Chicago starters contributed nothing except three turnovers and five fouls. "I don't think I've ever seen that," Jordan said. "There's a first time for everything. They're laughing about it now. It's good, because they know the next game they can at least be better than this game."

Indiana's reserves outscored Chicago's subs, 32-0, but the Bulls still increased their lead over the Pacers to 3½ games in the Central Division.

All five Chicago starters played at least 39 minutes, and Dennis Rodman, who grabbed 19 rebounds, played the entire 48 minutes.

Muggetta 90, Wizards 89 Anthony Goldwire sank a 3-point shot with 7.2 seconds left as visiting Denver rallied for its third victory in four games.

Hawks 117, Raptors 105 Mookie Blaylock had a triple-double and Tyrone Corbin led a 3-point barrage with 20 points as Atlanta won at Toronto.

Knicks 100, 76ers 96 Allan Houston scored 31 points, Larry Johnson had 26 and New York held off visiting



The Pacers' Jalen Rose looking at the basket as Scottie Pippen of the Bulls rises up to defend from behind.

Philadelphia after nearly blowing a 22-point lead. Magic 99, Grizzlies 92 Nick Anderson had 21 points and 12 rebounds as the Magic spoiled the return of their former coach, Brian Hill, to Orlando. After being fired last year, Hill was hired by the Grizzlies.

Suns 107, Kings 90 Antonio McDyess had 19 points and Rex Chapman scored 12 of his 17 in the third period as Phoenix won its fifth straight. Cliff Robinson finished with 18 points for the host Suns, who gave Coach Danny Ainge a victory on his 39th birthday.

Rockets 96, Bucks 91 Clyde Drexler, rumored to be retiring at the end of the season to coach his alma mater, the University of Houston, got 15 points and nine assists as the host Rockets beat Milwaukee.

Mavericks 99, Celtics 93 Michael Finley scored four of his 16 points over the final 50 seconds as Dallas extended Boston's losing streak to five games. Finley's 19-foot jumper with 46 seconds left gave Dallas the lead for good, 95-93, and he added two free throws down the stretch. The visiting Celtics were led by Antoine Walker's 23 points.

Cavaliers 96, Trail Blazers as Vitali Potapenko tied his season high with 18 points as Cleveland snapped a six-game road losing streak. Shawn Kemp and Brevin Knight each scored 20 for the Cavs.

Clippers 107, Warriors 102 Rodney Rogers scored 30 points, including a go-ahead 3-pointer with 20 seconds remaining, to give Los Angeles a victory at Golden State. The Clippers (15-50) have won five straight over the Warriors (14-51).

Now Pitching Against Murdoch: Turner

By Murray Chass
New York Times Service

ST. PETERSBURG, Florida — Ted Turner, whose intense dislike for his rival Rupert Murdoch has prompted him to compare Murdoch to "the late Führer," plans to make a rare appearance at a baseball owners meeting Thursday to try to block Murdoch's \$311 million purchase of the Los Angeles Dodgers.

As owner of the Atlanta Braves, Turner last attended an owners meeting nine years ago. But he evidently views his attendance at the meeting as so important that he will miss a meeting of the Time Warner board of directors to be here. He is deputy chairman of Time Warner.

"He's going to try to keep Rupert out; that's why he's going," a lawyer familiar with Turner's plans said Wednesday.

A baseball official said, "I think that's a fair assumption." Another official confirmed Turner's intentions. The sale needs approval from 12 of the 16 National League owners and 8 of the 14 American League owners.

Turner, who has engaged in a long-running feud with his rival media mogul, has only one vote, but several officials and owners said the issue

could be so close and controversial that other owners could be swayed by an impassioned speech against Murdoch. Turner can speak passionately. Adrienne Proeller, Turner's spokeswoman, said he was not available for comment. Jerry McMorris, owner of the Colorado Rockies, said he had heard that the vote on the Murdoch purchase would be close.

Another owner said he thought the sale would ultimately be approved, but he added, "I hear it's going to be tough."

The sale of the Dodgers to the Fox Group, one of Murdoch's companies, was on the agenda for the joint meeting of the two leagues Thursday at the Renaissance Vineyard Resort here. Although the sale had at one time been thought to be in possible jeopardy, more recently some of the opposition seemed to dissipate and there appeared to be no chance that opponents could muster the five National League votes necessary to scuttle the transaction. But Turner obviously does not give up easily.

The San Diego Padres have been the most outspoken opponents of the deal. Turner has not said anything publicly, but his dislike of Murdoch was viewed as enough of a reason for him to vote no.

A complicating factor in Turner's position, on the other hand, is the ownership of the Braves. They are a subsidiary of Time Warner, which reached agreement with Murdoch last July after a fierce fight over his news channel's access to Time Warner's cable system in New York City.

Corporate executives who followed the fight and the subsequent peace said they thought the two entities had too much at stake in future business relationships to have Turner attempt to block Fox's purchase of the Dodgers.

Turner, however, is determined to be his own man. Besides comparing Murdoch to Hitler, Turner last June challenged Murdoch, a native of Australia but now an American citizen, to a boxing match in Las Vegas, Nevada, with the loser having to leave the country. He also threatened to squish Murdoch "like a bug."

Murdoch, for his part, has expressed his views of Turner through some of his media outlets. During Fox's telecast of the 1996 World Series, for example, cameras never picked up Turner and his wife, Jane Fonda, in the stands during games between the Braves and the New York Yankees.

Besides a three-quarters vote in the

National League, approval of the sale would require a majority vote in the American League. Several owners and officials said that Jerry Reinsdorf of the Chicago White Sox has been outspoken privately against Murdoch, but no one expects him to be able to produce anywhere near the seven votes he will need to block Murdoch.

Cuban Players Missing at Sea
As one Cuban baseball player reached the United States, a spokesman for his agent said that four others and a coach trying to defect were feared missing at sea. The Associated Press reported from Miami.

The Cuban exile community in Miami celebrated the arrival Tuesday of Orlando Hernandez, who fled the island in December and is headed to spring training with the New York Yankees. Rene Guim, a spokesman for the Cubans' agent, Joe Cubas, said that another group left Cuba on March 10 and has not been heard from since.

The four players — all former members of the Cuban national team — and a pitching coach left in a flimsy boat a week ago, Guim said.

All five were banned from Cuban baseball last July because authorities suspected they planned to defect.

Certain Justice? Clemens Applies Beanball Code

By Buster Olney
New York Times Service

TAMPA, Florida. — Baseball's beanball code is almost as established as British common law, unwritten and yet completely understood. When Derek Jeter stepped into the batter's box in the fifth inning of an exhibition game against Roger Clemens of Toronto, the Yankees' shortstop knew Clemens would throw a fastball at him.

In the previous half-inning, the Yankees' Hideki Irabu, tiring and gradually losing control of his fastballs, bounced a pitch off the head of the Toronto shortstop Alex Gonzalez. That Gonzalez was all right meant nothing; Jeter knew Clemens would retaliate, and told teammates as much.

Clemens did indeed graze Jeter's chest with a fastball, and this probably would not be noteworthy if not for the fact that the Yankees have been in-

involved in four such incidents in 20 spring training games. They learned Monday that Luis Sojo, their utility infielder, will miss the next four weeks because of a broken hand sustained on March 2 when he fended off a fastball from Cleveland's Jarret Wright — a pitch that nearly hit Sojo in the head, a pitch the Yankees say was intentional.

The bad feelings generated by these incidents can linger throughout a season, said the Yankees' David Cone. "I don't anticipate anyone is going to retaliate," he said, keenly aware that his words will be monitored by the American League office. "But I don't think anybody's going to forget about it either."

It is likely that the exchange of brushbacks Tuesday will be treated as a one-time skirmish and be forgotten. In extending his streak of scoreless innings to 12½ Irabu hit two Blue Jays,

but neither in a circumstance in which he appeared to be head-hunting.

He spun a curveball off the arm of Jose Canseco in the second inning — not usually the pitch of choice for brushbacks. And one out away from completing his last inning of work, he was laboring. With the count three balls and two strikes, Gonzalez fouled off four pitches, three in a row on outside fastballs. Jorge Posada, the Yankees' catcher, called for an inside fastball. Irabu's elbow dropped as he delivered at 88 miles an hour, mediocre speed, but the ball rode in on Gonzalez and smashed into his helmet, just above the left ear.

Gonzalez fell, reaching for his head, with Irabu moving close to the plate to check on his condition. After a brief delay, Gonzalez told the Toronto trainer, Tommy Craig, that he could continue to play. But Gonzalez was pulled out of the game.

Jeter knew that he was due to hit third the next inning. He would have to face Clemens, a pugilist pitcher if there is one in the American League. "I knew he was going to hit me," Jeter said.

Second pitch, chest hit. Clemens grazed Jeter with a fastball. With a disgusted look, Jeter flipped his bat and trotted to first base. "I don't think he was trying to hurt me," he said, believing, instead, that Clemens was trying to send a message to the Yankees. Irabu sent his interpreter, George Rose, to the Toronto clubhouse to apologize to Gonzalez, and with Rose at his side, he checked on Jeter in the Yankees' clubhouse and apologized for inciting Clemens.

The Rocket was hardly apologetic. "I threw an inside fastball," he said, arms crossed slightly against his chest. Was he happy with the location of that inside fastball? "Yeah," he said.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

TODAY'S GAMES

Texas 7, Boston 4
Tampa Bay (split-squad) & Cleveland 4
Milwaukee 3, Pittsburgh 1
Baltimore 10, Florida 6
Los Angeles 11, Kansas City 7
Tampa Bay (split-squad) & Kansas City 0
Houston 5, St. Louis 2
New York Mets 1, Montreal 0
New York Yankees 3, Toronto 0
Philadelphia & Atlanta (split-squad) 3
Chicago White Sox 1, San Diego (split-squad) 3
Milwaukee 10, Anaheim 7
Oakland (split-squad) 7, Chicago Cubs 3
San Diego (split-squad) 15, Oakland (split-squad) 11
Colorado 5, San Francisco 2
Cincinnati & Detroit 8

BASKETBALL

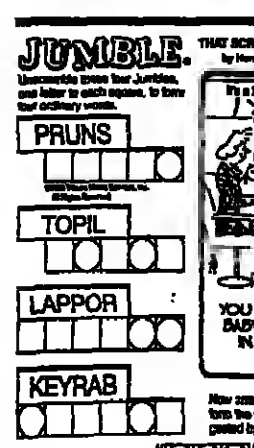
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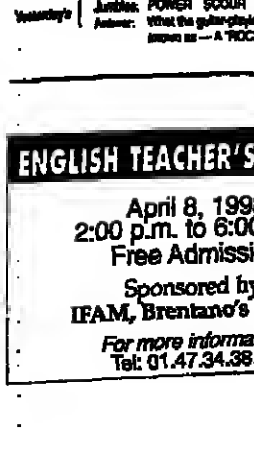
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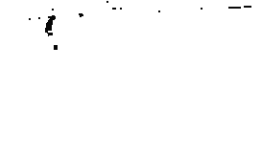
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NHL STANDINGS

ART BUCHWALD

Unnamed Sources

WASHINGTON

There are now 340,987 unnamed sources in Washington. Many of these, who have asked not to be quoted, have been called out of retirement due to the alleged Clinton sex scandal.

One insider, who shall remain nameless, told me, "If it wasn't for this country's unnamed sources there would be no Clinton scandal. Our 'not-for-attribution' quotes are what makes this story sizzle."

"How do you choose which media to leak to?"

"We go with whoever calls us first. There are almost as many reporters on this story as there are people who don't want to be quoted by name."

"The media owe you a lot."

"We have to ask not what our country can do for us, but what we can do for Gerald Rivera." That quote has been attributed to John F. Kennedy

by a high government official, who cannot be identified.

"As an unnamed source, aren't you afraid someone will identify you by name?"

"It's a risk. Once you are identified you lose your credibility. Our role model is Deep Throat. To this day no one knows who he was, and yet his information broke open Watergate. Reporters dream about finding another Deep Throat in Monica Lewinsky's garage."

What I didn't know is that the unnamed sources have an organization where they exchange ribbons on various scandals. A juicy item on Linda Tripp is worth two rumors about Gennifer Flowers.

"Does it ever bother you that an unattributed piece of gossip could bring down the president of the United States?"

"Not much. You cannot have a free press unless you permit people to talk off the record. Undisclosed sources are always the best ones, particularly when the reporter is on deadline. I have had unchallenged me up just before they go on the air to confirm something they heard from another unidentified source."

"Do you say it's true?"

"I have to, because that person might be called to find out if what I leaked had any validity."

"You do see a light at the end of the tunnel when unnamed sources will no longer have status in the United States?"

"Not as long as there is a national sex scandal. People don't give a darn about Iraq, but when it comes to official hanky-panky, they'll take the unnamed source's word against an official spokesman's every time."

3 Paintings Slashed At Museum in Dallas

The Associated Press

DALLAS — Three paintings at the Dallas Museum of Art have been vandalized.

After a 40-inch scratch was discovered Tuesday on Frederic Church's "The Icebergs," the museum found a scratch on Edward Hopper's "Lighthouse Hill." The third painting was "The Witches."

Mary Vernon, an art professor at the Meadows School at Southern Methodist University, said the Church and Hopper paintings were "pieces of significant American art."

THE French director Luc Besson has been sued by a writer who claims Besson stole his idea for the hit film "Leon." Franck Gerardi contends there are "blatant similarities" between his script and the screenplay for Besson's 1994 film. Gerardi's lawyers contend he wrote his script in 1990 and submitted it to a film company run by Luc Besson's father, Claude. Gerardi and his lawyers have asked a Paris court for a provisional 1 million francs (\$165,000).

An imperfect body has raised fears that Lyon's museum of fine arts may be exhibiting a fake painting attributed to the Italian painter and sculptor Amedeo Modigliani. Christian Briand, the museum's curator of 20th-century collections, said the painting was not in the descriptive catalogue of Modigliani's works. Experts raised doubts about the authenticity of the painting because of "anatomical improbabilities" in the portrayal of the nude woman, Briand said. Her throat, for example, "is strangely sunk into her shoulders," he

SPANISH SPICE — Papier-mâché Spice Girls in the last hours before hundreds of "fallas" were burned in Valencia to celebrate winter's end.

By Todd S. Purdum
New York Times Service

The Voyeuristic Pleasures of 'Primary Colors'

LOS ANGELES

From the opening shot of "Primary Colors," in which the camera pans slowly from a beefy politician's hand to what turns out to be John Travolta's full face — half smiling, half pouting in an unmistakable mix under silver-gray hair — there is no doubt about just whose handshake, face and flaws this movie is meant to evoke.

There is even less doubt halfway through the film when a young aide to Governor Jack Stanton, the prodigious Southern presidential candidate whom Travolta plays, confronts the governor alone in a men's room and tells him that a black teenager in his home state claims she's about to have his baby. Stanton slams the wall in a wave of self-pity and wails, "I just can't catch a break, can I?"

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"I don't understand what the problem is," he said. "This movie would have done well, people will say, but it was just too relevant?" And people talked about it too much, and that just did it a lot of harm?"

Still, he acknowledges, it would be foolish to be cocky about the public's reception to any such project. And television news ratings, which spiked upward in the first days of the allegations about a relationship between the president and Lewinsky, have receded again. But this movie may wind up being the perfect palate cleanser for a public weary of Kenneth Starr's stalemated morality play, a pin to prick the pundits' conflated prognostications.

In fact, as dramaturgy, May's screenplay emphasizes the human story at the center of

the Stanton's rise, and pares away some of the subtleties and winking expository byways of the book.

There has been much hyperventilating on both coasts of the United States that the movie has somehow defanged the novel. It has been proposed that Nichols's casual acquaintance with the Clintons from summers on Martha's Vineyard and a 1992 fund-raiser made him pull his punches.

It has also been suggested that Travolta's meeting with the president's national security adviser, Samuel Berger, about discrimination against Scientologists in Germany was a payoff from the president to the actor, who is one of Scientology's most prominent international celebrities, for sanding down his performance.

The film's publicity representatives declined to make Travolta available to be interviewed for this article, but he told George magazine, "You'd have to be dead not to see that the film favors Clinton."

Such speculation ignores several realities, chief among them the central plot device, which remains the allegation — unproved, but all too believable to even the governor's

closest aides — that Stanton has impregnated a minor and then tried to cover it up. Not exactly flattering stuff, and ample grist for Clinton haters everywhere.

Then there is the truth that Klein, who was one of Clinton's earliest boosters in the national press, has never completely abandoned his faith, despite some brutal criticism, and never conceived of his novel as the hatchet job some saw.

"Nobody is 'unimpeachably right' in 'Primary Colors,'" said Klein, whose exploration of the moral corrosion of politics borrowed from Robert Penn Warren's 1946 novel "All the King's Men," and whose big set speeches remain essentially intact in the film.

"There are no villains in it," he continued. "To a very great extent what the book became for me was a way to exercise my frustrations with the journalistic form of having to find heroes and villains. You've got to make the choice about whether you want the guy who absolutely, legitimately cares for the people and feels he can get away with murder, or do you want someone mediocre."

There is no doubt that the movie is a work of art, but it is also a work of fiction. It is a work of art that is also a work of fiction. It is a work of art that is also a work of fiction.



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PEOPLE

THE French director Luc Besson has been sued by a writer who claims Besson stole his idea for the hit film "Leon." Franck Gerardi contends there are "blatant similarities" between his script and the screenplay for Besson's 1994 film. Gerardi's lawyers contend he wrote his script in 1990 and submitted it to a film company run by Luc Besson's father, Claude. Gerardi and his lawyers have asked a Paris court for a provisional 1 million francs (\$165,000).

An imperfect body has raised fears that Lyon's museum of fine arts may be exhibiting a fake painting attributed to the Italian painter and sculptor Amedeo Modigliani. Christian Briand, the museum's curator of 20th-century collections, said the painting was not in the descriptive catalogue of Modigliani's works. Experts raised doubts about the authenticity of the painting because of "anatomical improbabilities" in the portrayal of the nude woman, Briand said. Her throat, for example, "is strangely sunk into her shoulders," he

SPANISH SPICE — Papier-mâché Spice Girls in the last hours before hundreds of "fallas" were burned in Valencia to celebrate winter's end.

By Todd S. Purdum
New York Times Service

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In fact, as dramaturgy, May's screenplay emphasizes the human story at the center of

President Al Gore and Margaret Thatcher, former prime minister of Britain.

An animal rights activist who smacked Oscar de la Renta with a tofu cream pie in November was fined \$150 and ordered to do 20 hours of community service. Alison Green also must write a letter of apology to the clothing designer and spend 18 months on unsupervised probation. She was sen-

enced in Hillsboro, Oregon. De la Renta was struck while visiting a mall to promote his perfumes, and Green was protesting his use of fur in his clothing.

The Larry Weinstein film "Solidarity Song: The Hannes Eisler Story" has won the top prize at the fifth festival of filmed music at the Louvre in Paris. Hannes Eisler (1892-1962), a pupil of Arnold Schoenberg, a collaborator of Brecht and a committed Marxist, wrote chamber music and film scores. The festival also awarded a special prize to Peter Manuira for his documentary on Sir Arthur Georg Solti, who died in September.

Sad news from the World Wide Web: The Hillaryshire site has closed. A painstaking and elegant archive of nearly every word worn by Hillary Rodham Clinton, the site paid homage to her need for change and invited browsers to vote on their favorite hairstyle. "It fell into a state of disrepair," said the site's creator, Mike Miller.

The Fifth Beatle Bows Out With One Last Album

Agence France-Press

LONDON — George Martin, the record producer known as the fifth Beatle, has called it a day at 73. Partially deaf from years of studio work with countless musicians, Martin said he has decided to retire because "I don't want to be doing things that I'm no longer good at."

Sir George, since he was knighted in 1996, said he wanted to have fun with his last album, "In My Life," which is to be released Monday, and assembled a varied crowd of stars to re-record Beatles' hits, among them Robin Williams and Sean Connery of all people. "If I am going to make a last album," he said, "I'm going to have fun. And we did. If it sells, that's a bonus."

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